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# ***Daily Report***

## **East Asia**

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# Daily Report

## East Asia

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## Japan

### Tokyo, Washington End 1st Day of Air Cargo Talks

OW2609121295 Tokyo KYODO in English  
1049 GMT 26 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 26 KYODO — Japan and the United States ended their first day of three-day air cargo negotiations Tuesday [26 September], having confirmed each other's positions on the issue.

In the morning, both sides made speeches, with Japan asserting equal rights for its airlines, and the U.S. asking for further aviation market access for its cargo flights.

The U.S. wants Japan to expand U.S. cargo flights to Asia via Japan. Japan, however, is opposed to further expansion on the grounds that it would widen the gap between the two countries' airlines.

The afternoon session was spent in fielding questions, officials said, adding that no specific proposals were made by either side.

"We got a good idea of what the problems are," a Japanese aviation official said.

He said he would like to press for revising the bilateral civil aviation pact, which Japan asserts is unfair, during talks Wednesday.

The talks are based on an agreement reached at a ministerial meeting in Los Angeles in July and are expected to last until March next year.

### Daiwa Suffers From Illegal Securities in U.S.

OW2609080495 Tokyo KYODO in English  
0720 GMT 26 Sep 95

[FBIS Transcribed Text] Osaka, Sept. 26 KYODO — Major commercial bank Daiwa Bank said Tuesday [26 September] it has suffered a loss of \$1.1 billion from illegal securities deals in the United States, marking another incident expected to erode global confidence in Japan's banking sector already shattered by numerous bad loans.

Daiwa Bank President Akira Fujita told a news conference at the Bank of Japan's Osaka branch that the losses resulted from 11 years of unauthorized transactions in U.S. Government bonds by a 44-year-old securities dealer stationed in New York.

The loss, equal to about 110 billion yen, is the third biggest incurred by a Japanese corporation in financial deals following the 166.3 billion yen loss suffered by Showa Shell Sekiyu K.K. in 1993 and the 152.5 billion yen loss by Kashima Oil Co. in 1994.

Fujita said the dealer, as a way to finance initial losses that surfaced in 1984, illegally disposed of securities deposited by customers at the bank's New York branch.

As securities losses kept swelling in spite of this, the dealer then fabricated account balance certificates to make ends meet, said the president.

Daiwa Bank said it will write off the loss in its interim settlement of accounts ending Sept. 30.

The scandal caused the Tokyo stock exchange to suspend trading in shares of Daiwa Bank for the afternoon session.

Finance Minister Masayoshi Takemura said in a statement "it is deeply regrettable that such an incident has happened."

"The ministry has strictly cautioned Daiwa Bank and requested it take appropriate measures," Takemura said.

Bank of Japan Governor Yasuo Matsushita said in a statement "it is most regrettable that such an incident occurred despite the fact that we have been instructing banks to enhance risk management."

Daiwa Bank said its midterm net profit in the current fiscal year will remain unchanged at 7 billion yen as the loss will be completely written off as an extraordinary one when the company closes its interim books at the end of September.

Shunichi Nagata, deputy director general of the Finance Ministry's Banking Bureau, told reporters he thinks the Daiwa case is unlikely to affect Japanese banks' standing in the global financial market.

Although Daiwa's loss in the case is larger than its half-year net profit from its core banking business, the bank has over 300 billion yen in latent profits on securities holdings, Nagata said.

Daiwa President Fujita said the bank will tighten its management of securities trading and inspection systems in order to prevent a recurrence of the incident.

He said the employee responsible, Toshihide Iguchi, was hired locally in 1976 and has now been fired.

The employee was a veteran trader of U.S. Government bonds and engaged in such deals for 20 years before the start of internal checks this summer, according to the Finance Ministry.

Losses in bond deals, begun in 1984, got serious when the dealer engaged in transactions in excess of an internally set trading volume in order to cover the initial losses, the ministry said.



The dealer finally began to dip into securities deposited at his office by customers and issued bogus statements on account balances to make things look normal, the ministry said.

### **BOJ Reassures Other Central Banks**

*OW2609121795 Tokyo KYODO in English  
1005 GMT 26 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 26 KYODO — The Bank of Japan (BOJ) tried to reassure other central banks Tuesday [26 September] over the 110 billion yen loss suffered by Daiwa Bank stemming from illegal securities trading.

"We expect domestic and overseas market participants will respond to the incident in a calm manner," said BOJ Governor Yasuo Matsushita in a message sent to more than 20 central banks, including the U.S. Federal Reserve board.

The statement is an attempt by the central bank to prevent fears over the soundness of Japanese financial institutions from spreading in the global markets.

"Given the size of the capital base, profitability, and unrealized profit of Daiwa Bank, the loss will be fully absorbed and we are confident that the disposal of the loss will in no way undermine the overall management of the bank," the statement said.

"We have been told by the bank that it will still be able to report net income as originally expected even after covering the loss at the interim closing of accounts for fiscal 1995," it said.

International concern about the Japanese financial system has been aroused recently by a string of bankruptcies, including those of the top second-tier regional bank Hyogo Bank, and Osaka-based Kizu Credit Union and Tokyo-based Cosmo Credit Corp.

In reflection of such concern, Japanese financial institutions are being asked to pay more interest when procuring loans from the Euro markets.

Matsushita tried to diffuse such worries at the central bankers' meeting at the Bank for International Settlements to be held in the middle of this month.

### **Roundtable Addresses SOFA Issue; Eto Present**

*OW2509135695*

[FBIS Editorial Report] Tokyo FNN Television Network in Japanese at 2230 GMT on 23 September, during its regular "News 2001" program, carries a 31-minute roundtable discussion involving Defense Agency (DA) Director General Seishiro Eto, via remote hookup from Seoul; Kosuke Uehara, senior Social Democratic

Party (SDP) member, via remote hookup from Okinawa; Yukio Okamoto, former chief of the Foreign Ministry's First North American Division; Suruga University Professor Hiroshi Honma; and Kenichi Takemura, the program's regular guest and political commentator Takemura, the program's regular guest and political commentator

The discussion is moderated by FNN newscaster Yuji Kuroiwa

After briefly reviewing the 4 September incident in which three U.S. servicemen abducted and raped an Okinawan schoolgirl, and the chief cabinet secretary's remarks on not immediately revising the Japan-U.S. Status of Forces Agreement (SOFA), Kuroiwa begins the debate by asking Eto if he still thinks it is necessary to review the SOFA. Eto says: "During the ministerial meeting, the foreign minister said that although we would not go so far as to revise the Japan-U.S. SOFA, we would form a committee composed of specialists from both countries to find practical solutions, and that he would seek cooperation from each ministry and agency to that end. I am counting on this remark by the foreign minister and his future move." Kuroiwa asks Eto if he backed down from his view, which was in favor of revising the SOFA. Eto says: "No, I am not backing down. The SOFA issue is under the Ministry of Foreign Affairs' (MOFA) jurisdiction, and I am the DA director general. I said earlier that although we have the SOFA, we should cooperate with MOFA to get the suspects turned over to us if that kind of thing can be done beforehand."

Kuroiwa asks Uehara why the SDP, unlike before, is not actively dealing with the issue. Uehara says: "I took up this issue before anybody else did. I have been saying to MOFA and the DA to make fundamental changes to the agreement, which is based on the Japan-U.S. security accord. Unfortunately, the stand of the chief cabinet secretary and the prime minister's official residence was dull, indeed. We Okinawan people are very much dissatisfied with such a stand. We should review the agreement this time. When can we review SOFA if we cannot do it this time?"

After Honma's explanation of the SOFA's unfair nature to the Japanese side, Eto, referring President Clinton's 21 September radio interview in Los Angeles, says: "He said that the United States would actively respond to or discuss a request to revise [SOFA] in terms of its application. Well you know, the so-called two-plus-two meeting between Secretary of State Christopher, Secretary of Defense Perry, Japanese Foreign Minister Kono, and I will be held in New York on 27 September. While keeping in mind the various things we have just



talked about, I will say, at the meeting, whatever I have to say as defense chief, and demand that they modify whatever has to be revised." Honma points out that the SOFA in Japan and the SOFA in Europe are the same as far as keeping U.S. suspects under their custody is concerned.

Uehara says: "Everybody is outraged because there is a problem. It is an anachronism, according to the explanation [Honma just made]. Is the SOFA designed to protect the human rights of suspects? Well, what about victims' human rights? We are complaining because the human rights of the victim are ignored. We are calling for a revision of such an unfair agreement."

In response to the anger expressed by one of the studio audiences in Okinawa over numerous recent incidents caused by U.S. servicemen, the DA chief says: "As DA chief, I can understand very well the fact that the Okinawan people have been forced to make enormous amounts of sacrifices during the war and the 50 years since the war. I also understand very well how the prefectural people feel. Taking all these things into consideration, I will promote, shall I say, human rights diplomacy. The United States, White House, and Congress are very sensitive about human rights. We are studying all the possibilities we can think of for the 27 meeting [two-plus-two meeting]." "We will do our best at the meeting."

Asked if he will be satisfied with a measure for improving the SOFA's application instead of revising it, Uehara says: "No. We cannot accept such a makeshift effort." "Fifty years have passed since the war ended, and 35 years since the unfair agreement was enacted. Why do we Okinawan people alone have to make such sacrifices?" "We have to make fundamental changes to the agreement."

Asked if he will call on the United States for a revision of the SOFA during the two-plus-two meeting, Eto says: "Well, as I said earlier, I will explain to them the fact as a fact and call for the U.S. military's enforcement of official discipline and orderly actions to prevent such an incident from happening again. I am a politician and DA chief. Therefore, while cooperating with the MOFA, I will do the best I can. At the same time, I want MOFA, which has jurisdiction over this matter, to take the leadership. I want MOFA to exert more efforts. Indeed, Paragraph C of Sub-Section 5 of Section 17 of the SOFA is a problem [mondai]. However, if we were to study it [the possibility of revising SOFA], I would want the specialists' committee to take one step further and discuss, among other things, which clauses of the agreement will be the subject of review. I want them to take up this issue too in a positive manner." Asked

to spell out his views clearly, Eto says: "Taking these things into consideration, I will say [at the meeting] whatever I have to say as DA chief."

On the issue of reviewing the Japan-U.S. Security Agreement itself, Eto says: "When you think about safety or the military situation in the Asia-Pacific region, you realize that there are many unclear and uncertain issues. The Cold-War structure of confrontation between the East and West has ended. But, many religious, racial, and tribal problems are taking place. Knowing these things are happening, we have to carefully study Japan's security. In this sense, the Japan-U.S. security system will improve our [mutual] trust and, as DA chief, I will commit myself to the task of national defense and security, which are the foundations of our country's existence."

The discussion ends at 2309 GMT.

#### Kono Arrives in U.S. for UN, Security Talks

OW2509235495 Tokyo KYODO in English  
2309 GMT 25 Sep 95

[FBIS Transcribed Text] New York, Sept. 25 KYODO — Japan's Foreign Minister Yohei Kono arrived in New York on Monday [25 September] for a four-day visit to attend the UN General Assembly session and the Japan-U.S. cabinet-level security dialogue.

Kono will address the UN meeting Tuesday, reiterating Japan's readiness to become a permanent member of the UN Security Council, Japanese officials said.

Unlike last year, however, when the focus of his UN speech was on Japan's desire to join the Security Council, the highlight of this year's speech is his proposal on a new development strategy for the world body, the officials said.

Kono is also likely to express Japan's opposition to nuclear testing in his speech, but it is not yet clear whether he will directly name China and France in doing so.

But the officials said the foreign minister plans to convey directly Japan's disappointment and opposition to recent nuclear tests when he meets separately with Chinese Foreign Minister Qian Qichen and French Foreign Minister Herve de Charette on Tuesday.

Kono is also to meet U.S. Secretary of State Warren Christopher the same day to discuss and reaffirm the importance of bilateral dialogue ahead of a meeting between Japanese Prime Minister Tomiichi Murayama and U.S. President Bill Clinton in Japan in November, the officials said.

On Wednesday with Japan's Defense Agency Director General Seishiro Eto, Kono will attend the Japan-U.S. security dialogue known as the "two-plus-two" meeting with Christopher and U.S. Secretary of Defense William Perry.

The four are expected to discuss regional affairs, Clinton's trip to Japan in November and bilateral security issues.

Recent controversy over the alleged abduction and rape of a schoolgirl in Okinawa Prefecture by U.S. military personnel is also likely to be taken up at the Kono-Christopher talks and the two-plus-two meeting.

But before leaving Tokyo, Kono and Eto agreed that they would not bring up the rape incident as a major item, especially the issue of whether or not to revise the status of forces agreement — a bilateral arrangement over judicial and other statuses of U.S. military personnel in Japan.

The officials said the two ministers will instead call for improvements on how to implement criminal jurisdiction procedures under the agreement.

Bilateral security issues include U.S. bases in Japan, Japan's host-nation support, studies on the theater missile defense system, the proposed acquisition and cross-servicing agreement and promoting exchanges of defense technology.

The two countries are to sign a new treaty defining Japan's financial support for U.S. bases in Japan during the security dialogue.

Kono will also meet the foreign ministers of Latin American and African countries who are in New York to attend the UN session, the officials said.

#### **Regrets on Nuclear Tests Conveyed to UN Chief**

*OW2609044095 Tokyo KYODO in English  
0232 GMT 26 Sep 95*

[FBIS Transcribed Text] New York, Sept. 25 KYODO — Japan's Foreign Minister Yohei Kono conveyed his regrets Monday [26 September] to UN Secretary General Butrus Butrus-Ghali over the recent testing of nuclear arms, particularly naming France and China, Japanese officials said.

Kono is here to attend the UN General Assembly session and the Japan-U.S. cabinet-level security dialogue.

Paying a 35-minute courtesy visit soon after his arrival, Kono told Butrus-Ghali that he "regrets the recent resumption of nuclear testing by France and China when international momentum for nuclear disarmament and test ban is increasing," one of the officials said.

As the only nation to have suffered atomic bombing, Japan has strong public feelings toward nuclear weapons, and hopes that increasing global outcry will lead those nations to stop further tests, Kono was quoted as saying.

Butrus-Ghali was not able to offer any reaction due to the limited time, the officials said.

Kono said that he will refer to this issue in his speech Tuesday at the UN meeting, but Japanese officials said it is not yet clear whether or not he will directly name China and France.

But the foreign minister plans to convey directly Japan's disappointment and opposition to recent nuclear tests when he meets separately with Chinese Foreign Minister Qian Qichen and French Foreign Minister Herve de Charette the same day.

During his talks with Butrus-Ghali, Kono expressed dissatisfaction over a UN charter that includes "nominal" reference to former enemies during World War II and also called for reform in the Security Council, the permanent members of which are five wartime Allied nations, the officials said.

Butrus-Ghali was quoted as saying that nobody believes it is still valid, and such reference will be revised in line with the planned UN reform in this 50th anniversary.

Against this backdrop, the Japanese officials said Kono will reiterate in his speech that Japan is ready to become a permanent member of the UN Security Council.

Unlike last year, however, when the focus of his UN speech was on Japan's desire to join the Security Council, the highlight of this year's speech is his proposal on a new development strategy for the world body, the officials said.

Kono also told Butrus-Ghali that he would place his emphasis during the UN meeting this year on assistance and development programs for developing nations.

Kono is also to meet U.S. Secretary of State Warren Christopher on Tuesday to discuss and reaffirm the importance of bilateral dialogue ahead of a meeting between Japanese Prime Minister Tomiichi Murayama and U.S. President Bill Clinton in Japan in November, the officials said.

On Wednesday with Japan's Defense Agency Director General Seishiro Eto, Kono will attend the Japan-U.S. security dialogue known as the "two-plus-two" meeting with Christopher and U.S. Secretary of Defense William Perry.

The four are expected to discuss regional affairs, Clinton's trip to Japan in November and bilateral security issues.

The recent controversy over an alleged abduction and rape of a schoolgirl in Okinawa Prefecture by U.S. military personnel is also likely to be brought up at the Kono-Christopher talks and the two-plus-two meeting.

But before leaving Tokyo, Kono and Eto agreed they would not bring up the rape incident as a major item, especially the issue of whether or not to revise the status of forces agreement — a bilateral arrangement over judicial and other statuses of U.S. military personnel in Japan.

The officials said the two ministers will instead call for improvements on how to implement criminal jurisdiction procedures under the agreement.

Bilateral security issues include U.S. bases in Japan, Japan's host-nation support, studies on the theater missile defense system, the proposed acquisition and cross-servicing agreement and promoting exchanges of defense technology.

The two countries are to sign a new treaty defining Japan's financial support for U.S. bases in Japan during the security dialogue.

Kono will also meet foreign ministers from Latin American and African countries who are in New York to attend the UN session, the officials said.

#### **Butrus-Ghali: UN Abolishing Enemy Clause**

*OW2609045995 Tokyo KYODO in English  
0316 GMT 26 Sep 95*

[FBIS Transcribed Text] New York, Sept. 25 KYODO — U.N. Secretary General Butrus Butrus-Ghali said Monday [26 September] the "enemy clause" in the UN Charter will be scrapped and other reforms will be made in the UN Security Council.

Butrus-Ghali made the remarks in a meeting with Japanese Foreign Minister Yohei Kono at the UN headquarters, Japanese officials said.

During his talks with Butrus-Ghali, Kono expressed dissatisfaction over the UN Charter that includes "nominal" reference to former enemies during World War II and also called for reform in the Security Council, the permanent members of which are five wartime Allied nations, the officials said.

Butrus-Ghali was quoted as saying that nobody believes it is still valid, and such reference will be revised in line with the planned UN reform in the 50th anniversary.

Against this backdrop, the Japanese officials said Kono will reiterate in his UN speech that Japan is ready to become a permanent member of the Security Council.

The clause, appearing in Article 53, Article 77 and Article 107, does not identify any country but Article 53 says the term enemy state "applies to any state which during the Second World War has been an enemy of any signatory of the present charter."

The enemy states in the articles normally refer to Japan, Germany, Italy, Hungary, Romania, Bulgaria and Finland.

In March, a UN committee adopted a recommendation to the General Assembly to remove the enemy clause from the charter.

Kono is here to attend the UN General Assembly session and the Japan-U.S. cabinet-level security dialogue.

Paying a 35-minute courtesy visit soon after his arrival, Kono told Butrus-Ghali he "regrets the recent resumption of nuclear testing by France and China when international momentum for nuclear disarmament and test ban is increasing," one of the officials said.

Kono is also to meet U.S. Secretary of State Warren Christopher on Tuesday to discuss and reaffirm the importance of bilateral dialogue ahead of a meeting between Japanese Prime Minister Tomiichi Murayama and U.S. President Bill Clinton in Japan in November, the officials said.

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The four are expected to discuss regional affairs, Clinton's trip to Japan in November and bilateral security issues.

The recent controversy over an alleged abduction and rape of a schoolgirl in Okinawa Prefecture, southern Japan, by U.S. military personnel is also likely to be brought up at the Kono-Christopher talks and the two-plus-two meeting.

But before leaving Tokyo, Kono and Eto agreed they would not bring up the rape incident as a major item, especially the issue of whether or not to revise the Status of Forces Agreement — a bilateral arrangement over judicial and other statuses of U.S. military personnel in Japan.

The officials said the two ministers will instead call for improvements on how to implement criminal jurisdiction procedures under the agreement.



Bilateral security issues include U.S. bases in Japan, Japan's host-nation support, studies on the theater missile defense system, the proposed acquisition and cross-servicing agreement and promoting exchanges of defense technology.

The two countries are to sign a new treaty defining Japan's financial support for U.S. bases in Japan during the security dialogue.

Kono will also meet foreign ministers from Latin American and African countries who are in New York to attend the UN session, the officials said.

#### **Murayama on Yeltsin's Stand on Disputed Islands**

*OW2609121195 Tokyo KYODO in English  
1109 GMT 26 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 26 KYODO — Prime Minister Tomiichi Murayama said Tuesday [26 September] that Russian President Boris Yeltsin's call for Japan to avoid any hasty approach to solving a long-simmering territorial dispute is within the bounds of a key bilateral pact.

"The Tokyo declaration should set the basic tone," Murayama said, adding that he thinks Yeltsin's stand on the issue is "okay, because it says the same thing" as the Tokyo declaration on how to seek a breakthrough in the quarrel. The premier was speaking to reporters at his official residence.

He said Russo-Japanese relations, including the territorial dispute, are based on the Tokyo declaration, suggesting the Russian president's call is in line with the bilateral document.

The Tokyo declaration, signed in October 1993 between then Prime Minister Morihiro Hosokawa and Yeltsin, states that the row should be resolved based on law and justice.

Yeltsin, in a message delivered to Murayama on Monday, urged Japan not to be hasty in settling the dispute over four Russian-held islands off Japan's northernmost main island of Hokkaido.

Murayama had called on Yeltsin to resolve the territorial dispute as 50 years have passed since the end of World War II and since it is time for the two countries to overcome this "negative inheritance from the past."

The former Soviet Union captured the islands of Etorofu, Kunashiri, Shikotan and the Habomai group of islets at the end of the war.

The row has been a major stumbling block to conclusion of a bilateral peace treaty.

#### **APEC Summit Expects To Bring High Politics**

*OW2609063295 Tokyo KYODO in English  
0507 GMT 26 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 26 KYODO — Japan's major economic center of Osaka will get a taste of high politics when leaders from the Asia-Pacific region gather there for their annual informal summit in mid-November.

Although trade liberalization and other economic matters are figuring high on the agenda of the Asia-Pacific Economic Cooperation (APEC) forum meetings, touchy political issues are expected to come up in a number of bilateral talks surrounding the Nov. 19 summit.

Beijing and Washington are trying to mend fences after months of strained relations over Taiwan president Li Teng-hui's private visit to the United States in June.

The U.S. and Chinese presidents might meet for a summit in New York when attending a ceremony at the United Nations' historic 50th general assembly session in late October.

First steps toward a summit have been made with China deciding to send back its ambassador, who was recalled in June in apparent protest at Li's visit to Washington, and President Bill Clinton nominating a new ambassador to fill the post in Beijing that has been kept vacant throughout the diplomatic turmoil.

However, should the October summit fail to materialize, the APEC meeting will offer another opportunity for a summit meeting between Clinton and Chinese President Jiang Zemin that will receive international attention.

On the other hand, Taiwan, which failed to secure an APEC invitation for its president due to Chinese opposition, will likely use Osaka as a stage to campaign for broader international recognition.

#### **Preparatory APEC Meeting Slated for 9-13 Oct**

*OW2609121895 Tokyo KYODO in English  
0903 GMT 26 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 26 KYODO — Japan has set a meeting in Tokyo of senior officials from the Asia-Pacific Economic Cooperation (APEC) forum on Oct. 9 to 13 to facilitate agreements among APEC leaders meeting in Osaka in mid-November, the Foreign Ministry said Tuesday [26 September].

The senior officials will seek to eliminate their differences over the action plan expected to be adopted by the APEC leaders at the Osaka forum, the ministry said.

The action plan will spell out concrete steps needed to achieve APEC's avowed goal of liberalizing trade and investment by all members by 2020.

The APEC officials are expected to face difficulties in reconciling differences over a crucial proposal to eliminate all import restrictions for agriculture and all industrial sectors.

Japan, South Korea and China are requesting that agriculture and some other sectors be exempted from proposals that all APEC members lift their import curbs, while the majority of the 18 APEC member economies want no exceptions to the liberalization principle, they said.

Earlier in the day, International Trade and Industry Minister Ryutaro Hashimoto said the government will soon call a special meeting of relevant Japanese cabinet ministers in order to finalize Japan's position on the farm produce row.

Hashimoto told a news conference after a cabinet meeting, "a meeting of senior officials of APEC members will provide the last chance to discuss the remaining problems with (officials from) all APEC members present" prior to the Osaka meeting.

#### **APEC Farm Row Invokes 'Special Meeting'**

OW2609064795 Tokyo KYODO in English  
0456 GMT 26 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 26 KYODO — International Trade and Industry Minister Ryutaro Hashimoto said Tuesday [26 September] the government will soon call a special meeting of relevant ministers from the Asia-Pacific Economic Cooperation (APEC) forum, in order to finalize Japan's position in a farm produce row among APEC members.

Hashimoto told a news conference after a cabinet meeting, "A meeting of senior officials of APEC members (scheduled to begin Oct. 12 in Tokyo) will provide the last chance to discuss the remaining problems with all members present."

Hashimoto was apparently referring to the demand from Japan and some other APEC members that some agricultural sectors be exempted from proposals to oblige APEC members to lift import restrictions under the APEC goal of liberalizing trade and investment within agreed time frames.

Hashimoto, whose political influence in government has been enhanced by his formal assumption of the presidency of the Liberal Democratic Party on Monday, also called for the speedy setting up of a disposal scheme for

the mammoth bad loans gripping the nation's financial institutions.

The government "should demonstrate (to the public) the direction of the most desirable disposal measures as quickly as possible," he said.

His appeal came a day before a finance ministry policy-making panel is due to make interim recommendations of methods to clear the estimated 40 trillion yen worth of nonperforming loans engulfing eight housing loan companies and other institutions.

#### **Revision in Balance of Payments Method Expected**

OW2509133795 Tokyo KYODO in English  
1049 GMT 25 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 25 KYODO — The Finance Ministry announced Monday [25 September] it will carry out a sweeping revision of its statistics compiling method for the nation's international balance of payments starting in January, the first major change in 30 years.

Ministry officials said statistics on the international balance of payments will be announced only in the Japanese currency, doing away with the present dual dollar-yen base.

Japan is the only nation among 25 member economies of the organization for economic cooperation and development that does not announce the data in its national currency, the officials said.

The new method will be based on the manual for international balance of payments statistics put into practice by the international monetary fund in 1993 to meet the needs of cross-border economic activities, such as derivatives trading and internal reserves held by overseas subsidiaries, they said.

For example, the officials said the balance of invisible trade which shows results of service trade will be knocked off the data for the international balance of payments and replaced with the balance of trade and services.

Income from investment, which now is included in the invisible trade data, will be replaced with the balance of earnings while the balance of transfer accounts will be divided into the ordinary account which include food aid to developing nations and the capital account which shows the flow of money for improvement of the infrastructure, they said.

Long- and short-term capital accounts will be reorganized into direct investment, securities investment and other investment, the officials said.

Under the new formula, Japan's current account surplus in fiscal 1993 through March 31, 1994, will total 14,221.6 billion yen, 168.6 billion yen greater than the figure calculated with the present method, the officials said.

The surplus for fiscal 1994 will rise 108.9 billion yen to 12,428.4 billion yen, they said.

#### **Takemura on Political Decision on Housing Lenders**

*OW2609041495 Tokyo KYODO in English  
0349 GMT 26 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 26 KYODO — A political decision must be taken to solve the financial crisis facing Japan's housing loan companies, Finance Minister Masayoshi Takemura said Tuesday [26 September].

"Political talks will probably intensify over the housing loan issue. We must come up with a clear conclusion on the basis of such talks," Takemura told a news conference.

Japan's eight housing loan companies are saddled with massive bad loans. Their founding banks are now squabbling with the housing lenders' biggest group of creditors — banks affiliated to agricultural cooperatives — over how to mop up the mountain of debt.

Financial observers believe negotiations between the warring parties alone will get nowhere, and thus a political decision on the issue is needed from the government.

"The issue should be settled taking into consideration the relations between the founding banks and farm banks," Takemura said.

Agricultural banks claim founding banks of housing lenders should take chief responsibility for the expected huge cost for liquidating their problem loans.

But "city" and other commercial banks say all creditors should assume the financial burden in proportion to the amount of the loans extended, a scenario that is expected to expose the housing lenders, the biggest group of creditors, to the risk of going under.

Takemura's comment on housing lenders came one day ahead of the release by a government panel of an interim report on how to clear problem loans in the banking sector.

The Financial System Research Council, an advisory organ to Takemura, will map out basic guidelines on the issue Wednesday, followed by a final report by the end of this year.

The upcoming report is unlikely to contain specific prescriptions on the housing loan crisis, Takemura said, noting, "It would not be easy for the advisory panel alone to make a decision."

"The interim report is intended to pave the way for promoting national-level debate on the issue by clarifying conflicting points," Takemura said.

He also said the government will unveil a basic policy not only on the issue of housing loan firms but on a wider range of problems gripping Japan's banking sector following the release of the panel's interim report.

But he declined to specify the timing of the policy's announcement.

"Ideas to be shown in the government policy will be basically in line with panel recommendations although some new ideas may be added," Takemura said.

#### **Sanyo Restructuring Plan Said Controversial**

*OW2509133595 Tokyo KYODO in English  
1134 GMT 25 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 25 KYODO — A controversial restructuring plan promoted by financially troubled Sanyo Securities Co. is in a do-or-die situation under heavy pressure from a program to rehabilitate a nonbank financial affiliate, informed sources said Monday [25 September].

The plan focuses on the rehabilitation of Sanyo General Capital Co., the main cause of Sanyo Securities' financial trouble, and is drawing attention as it may provide an important clue to the restructuring of the entire securities industry, the sources said.

The rehabilitation of Sanyo General, which holds uncollectible claims of about 110 billion yen, is being promoted in cooperation with Nomura Securities Co., Nippon Credit Bank, the Bank of Tokyo and Daiwa Bank, which have taken such relief measures as cuts in interest on loans to the affiliate.

Nomura and the three main banks have also accepted 20 billion yen worth of new shares issued to them by Sanyo Securities.

In addition, Sanyo Securities plans to provide 10 billion yen a year as rescue funds to Sanyo General over nine years from operating revenues and profits on the liquidation of stockholdings.

In short, the second-tier brokerage house intends to pull out of the red through its own operational restructuring, such as personnel cuts, and bail out the nonbank financial affiliate, the sources said.



But Sanyo Securities incurred a pretax loss of 33.7 billion yen in fiscal 1994 ended in March and anticipates a loss of 13 billion yen for fiscal 1995.

Reflecting a plunge in stock trading in reaction to the yen's steep appreciation and concern about Japan's economic downturn, Sanyo Securities' net worth ratio has fallen to a risky level of around 150 percent.

Worried about Sanyo Securities' financial health, the main banks decided to put a curb on the brokerage's monetary contribution to Sanyo General to 5.5 billion yen for this year, the sources said.

They said Sanyo Securities plans to contribute 15 billion yen to the affiliate in fiscal 1995, including a delayed portion for the current fiscal year.

But as the brokerage has also expressed hope for the acceptance of new share issues by Nomura and other concerns, the sources have questioned whether the company can carry out the restructuring plan on its own.

With Sanyo Securities' sales management expenses amounting to 30.9 billion yen against commission revenues of 13.8 billion in the first half of fiscal 1995, main bank officials said that the brokerage may be unable to provide Sanyo General with rescue funds from operating revenues in light of its high-cost operations.

#### **Ministry Deregulating Touch-Tone Phone Rates**

OW2209105095 Tokyo KYODO in English  
0928 GMT 22 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 22 KYODO — The Postal Ministry announced Friday [2 September] it will allow Nippon Telegraph and Telephone Corp. (NTT) and other common carriers to set charges on touch-tone telephones without advance government approval, effective Oct. 1.

The Ministry of Posts and Telecommunications announced the measure as part of economic deregulation measures, approved by the cabinet in July 1994.

Telecommunications service companies need only to inform the government in advance of rates on auxiliary services, such as touch-tone telephone rates and cellular phone rental charges, ministry officials said.

Government approval will still be required on basic telephone rates, they said.

#### **Ministry: FY96 Budget Request for ODA Down**

OW2209104995 Tokyo KYODO in English  
0938 GMT 22 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 22 KYODO — Budget requests for Japan's official development assistance (ODA) for fiscal 1996 edged down 1.4

percent to 1,741 billion yen from spending allocated under the original 1995 budget, the Foreign Ministry said Friday [22 September].

The drop reflects a 13.7 percent rise to 280.1 billion yen in repayments of yen loans that Japan extended previously to developing nations, the ministry said.

Excluding such a fund inflow, ODA budgets requested by 19 government ministries and agencies for actual disbursement aggregated 2,021 billion yen, a marginal 0.4 percent increase, the ministry said.

ODA budgets for the general account alone grew 7.3 percent to 1,186.5 billion yen, exceeding a growth ceiling of 7 percent set by the Finance Ministry.

Of the total spending request, grants rose 7.9 percent to 677.8 billion yen, while yen loans climbed 2.4 percent to 999.8 billion yen.

But contributions to international organs plunged 15.8 percent to 343.4 billion yen, reflecting the completion at the end of fiscal 1995 of the fifth round of supplies to the fund set up by the Asian Development Bank, the Foreign Ministry said.

#### **Coalition Partners Reaffirm Solidarity**

OW2609061695 Tokyo KYODO in English  
0355 GMT 26 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 26 KYODO — The heads of the three ruling coalition parties reaffirmed their united front Tuesday [26 September] following the inauguration of Ryutaro Hashimoto as the new president of the Liberal Democratic Party (LDP), the coalition's largest component.

Prime Minister Tomiichi Murayama, head of the Social Democratic Party, agreed on continued solid alliance with Hashimoto, minister of international trade and industry, and Finance Minister Masayoshi Takemura, who heads New Party Sakigake.

The three party heads plan to meet again soon to discuss and probably reconfirm the new policy agreement, which was reached before the July House of Councillors election.

Hashimoto told a later press conference that he will remain faithful to the basic policy agreement, which was reached when the three parties formed the coalition last year.

"The LDP's stance should keep continuity," he said, adding he will remain open to debates over the agreement.

The three leaders also exchanged views on Japan's role as host of this year's informal summit meeting of the Asia-Pacific Economic Cooperation (APEC) forum.

They discussed what Japan should do to help bring November's APEC gathering in Osaka to a successful conclusion, Chief Cabinet Secretary Koken Nosaka told a news conference.

**Article Previews Murayama's Policy Speech to Diet**  
*OW2609033095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 24 Sep 95 Morning Edition p 2*

[FBIS Translated Text] Prime Minister Murayama will deliver a policy speech to the extraordinary Diet session to convene on 29 September. According to an outline completed on 23 September, the prime minister will note that economic recovery is the biggest task for his government and will express resolve to "wipe out uncertainties about Japan's economic future and take bold measures for expanding domestic demand to help the economy recover." He will also present a new package of economic stimulus measures that the government has recently mapped out, as well as a plan for a package of comprehensive measures to deal with bad loans. He will also mention amending the Religious Corporation Law to "prevent a recurrence of incidents" caused by the Aum Shinrikyo cult.

The prime minister will make clear that his government will do all it can to stimulate the sagging economy with a package of yen- curb and stimulus measures, noting that the high yen and the fall in asset value may have adverse effects. The government will seek 1) to allay uncertainties about Japan's economic future by expanding domestic demand and thus change the gloomy mindset of consumers and enterprises; 2) to stem the fall in asset value by promoting effective land use and revitalizing stock markets; and 3) to relax regulations, promote research and development, and build an information society while reforming the economic structure in the medium and long term.

As for financial institutions laden with bad loans, he will state, "My government will continue measures to relieve depositors' misgivings and keep money markets from fluctuating." He will also announce plans to complete this year a comprehensive package based on discussions held by the Committee on Financial System Research. He also intends to deal with the land tax system by the end of this year, based on discussions by the Tax System Research Council of the government and ruling parties.

On the Religious Corporation Law, he will first note that "incidents caused by the Aum Shinrikyo cult have spread misgivings among the people" and stress the need

to amend some provisions on jurisdiction over religious organizations. At the same time, he will underline the "need to deal cautiously with freedom of religion."

On the Asia-Pacific Economic Cooperation (APEC) forum in Osaka in November, he will state, "As the host nation, Japan will fulfill its obligations." He will mention his recent tour of Middle East nations and note that Japan will aggressively contribute to securing peace in the international community, citing its participation in the UN Peacekeeping Operations (PKO) in the Golan Heights.

He will point out that Japan is the only nation ever hit by atomic bombs and "express regret" over nuclear tests, with those by China and France in mind.

He will call for early conclusion of the Comprehensive Test Ban Treaty (CTBT) and indicate Japan's resolve to play an aggressive role in abolishing nuclear weapons.

#### **Ryutaro Hashimoto's Qualifications Viewed**

*952B0232A Tokyo SHUKAN GENDAI in Japanese 2 Sep 95 pp 40-43*

[Article by SHUKAN GENDAI team of reporters]

[FBIS Translated Text] Recently, when asked why he was supporting Hashimoto and not Kono for prime minister, Seiroku Kajiyama was reported to have said: "Although I dislike Hashimoto, I dislike Kono even more. That is the only difference." After thoroughly examining the personality and character of Hashimoto, who was rejected by even his principal supporter, we concluded that there was not much enthusiastic public support for him, contrary to the "love calls" reported in the media.

#### **Cross-Factional Support Group Also Formed**

The Liberal Democratic Party [LDP] has become increasingly tense, as the voting date for its next president, 22 September, draws near. On 16 August, MITI Minister Ryutaro Hashimoto, who is considered to be a strong opponent of President Yohei Kono, paid a visit to Vice President Keizo Obuchi, chairman of the former Obuchi faction, to officially inform him of his candidacy.

Two days prior to Hashimoto's visit with Obuchi, a support group for Hashimoto was established. This support group, not only includes members of the former Obuchi faction to which Hashimoto belonged, but it also has members of the former Miyazawa faction, Kono's paternal faction. This support group comprises cross-factional members, such as Katsuhiko Shirakawa of the former Miyazawa faction, Shizuka Kamei of the former

Mitsuzuka faction, Kaoru Yosano of the former Watanabe faction, and Masahiko Komura of the former Komoto faction—thus presenting a cross-factional support setup for a show-down between Hashimoto and Kono.

Katsuhiko Shirakawa explains his reasons for supporting Hashimoto: "President Kono did nothing during the past two years to rebuild our 'bankrupted' LDP, resulting in our loss in the upper house election. Moreover, he tried to utilize factional power, although such factional affiliations were supposed to have been dissolved. This way we will never be able to win the next general election. I bet that half of the members of the former Miyazawa faction will not support him."

Shinji Sato of the former Obuchi faction stresses: "This is Mr. Hashimoto's last chance. He lost an opportunity to run for prime minister during the post-Uno race, in spite of receiving encouragement to run, thus missing his first swing. He missed again when our LDP became the opposition party. If he does not run this time, he will have struck out."

A certain financial leader says: "In the political world, only Mr. Hashimoto understands macro and micro economies, domestically and internationally."

A political commentator, Hirotada Asakawa, analyzes Hashimoto's popularity this way: "The next cabinet needs to tackle the problems of political and financial reforms, including the need for an economic upturn and deregulation. Therefore, the financial circles believe that Mr. Hashimoto, having served as finance minister, MITI minister, and as chairman of LDP's Policy Research Council, is better qualified than Kono."

To examine whether or not Hashimoto is of a presidential and prime ministerial caliber, as the above supporters say, we need to first look at Hashimoto the man.

Mr. Hashimoto, age 58, was born in 1937. After graduating from Keio University, he worked three years as a salaried-man with the Kureha Textile Company. However, upon the death of his father, Ryugo Hashimoto, a former welfare minister, he entered the political scene and was elected into the lower house at the age of 26. At first, he was much criticized as having a "mother-complex," being an inexperienced second-generation politician. However, Hashimoto gained influence as a "zoku" Diet member in the areas of social and labor matters: He followed his father's steps and served as parliamentary vice minister of the Welfare Ministry, and he later became welfare minister.

As for his private life, he and his wife, Kumiko, have two sons and three daughters. He has wide interests, including mountain climbing, and has even challenged Mt. Everest. In Japanese fencing, he ranks in the 5th

grade, and his hobbies include the constructing of plastic models (Plamodel).

Dr. Kimihide Aono, a supporter, says: "His photography is of a professional grade. I often receive calendars made with pictures that he took, and they are all beautiful."

How about his disposition as a politician? Akira Toyoshima, former member of one of Hashimoto's political groups—the Welfare Economy Study Group—says: "He is not afraid of bureaucrats. Whoever the opponent may be, whether a finance official or a welfare official, Hashimoto would thoroughly discuss issues with him, and in the end, persuade the official to respond: Yes. I will coordinate matters with other officials in the ministry and do as you say."

Hashimoto has an established reputation for having a thorough knowledge of policy matters among LDP Diet members. He is also known to be a shrewd man. Yoshitada Umeki, former parliamentary vice minister of the Welfare Ministry (currently an industrial consultant at the Takeda Pharmaceutical Company), and who was a private secretary to Welfare Minister Ryugo, explains why: "When Mr. Hashimoto became a parliamentary vice minister of the Welfare Ministry in 1971, I was the administrative vice minister of the same ministry. However, prior to that, I served as chief secretary for three years, dealing with Diet policy, and I was familiar with all sorts of policy matters. Therefore, I advised Mr. Hashimoto that I would manage the Diet policy affairs, giving him the opportunity to study other policy matters. It appeared that Mr. Hashimoto worked very hard to build up his reputation as being number one in party policies."

Moreover, as for collecting political funds, an essential trait of politicians, Hashimoto is capable of gathering money, and he is the top fund-raiser among LDP Diet members. Furthermore, he distributes funds widely, not only to his own former faction members, but also to members of other factions. According to the 1993 political balance sheet report, in addition to distributing funds to his former Obuchi faction members, Hashimoto contributed one million or three million yen to the following members: Jinen Nagase, Nobuteru Ishihara, Shizuka Kamei of the former Mitsuzuka faction; Hachiro Okonogi, Masakuni Murayama of the former Watanabe faction; Tadashi Itagaki, Tsuneo Suzuki of the former Miyazawa faction, and Motoo Abe of the former Democratic Socialist Party. On the other hand, Hashimoto's rival, Kono, has no record of offering political funds to other Diet members.



### Calling Colleague "A Fool"

Considering the above, it seems natural that there should be support for Hashimoto to become the next LDP president. However, after carefully gathering confidential opinions from other Diet members, things begin to take an ugly turn.

Once Hashimoto was criticized as "looking great, just like Mt. Fuji from a distance, but when one gets closer, one sees many imperfections." There are those who say: "There are serious reasons why Hashimoto should not be a prime minister."

For instance, regarding the way he distributes political funds, a leading LDP member says: "He is not stingy about money, but he gives out sums, such as three million yen to one person all at once. It is much more effective to divide the three million into six contributions of a half a million yen each. His way of distributing money also gives the impression of finality, and this is considered as money wasted. Moreover, when asked to attend meetings, he will offer to contribute money but will not show up. This causes others to downplay his popularity, believing that he lacks feeling for others."

To sum it up, Hashimoto has trouble in personal relations and lacks popularity in the true sense of the word. Consequently, he is reportedly without enthusiastic supporters.

There are many other episodes substantiating this belief. One of his supporters, Kazuo Shizume, director of Seicho Association of Science, is concerned that Hashimoto makes enemies by the way he talks. He says: "Because Mr. Hashimoto is extremely sharp, he often expresses only the main points of his thoughts, causing some people to misunderstand him and to think of him as an unkind person."

For instance, when Hashimoto was the finance minister, a leading Diet member made a plea to Hashimoto in the Diet. Thereupon, in front of other Diet members, Hashimoto said: "I don't understand your case at all. Rejection! Rejection!" It is reported that this angered the Diet member, who said: "Why should I be humiliated in front of others?"

Kozo Watanabe, a leading Shinshinto (New Frontier Party) member, who, along with Hashimoto, belonged to the former Keiseikai (Takeshita faction), had a similar experience. According to a political report, "Watanabe, who had recently become welfare minister, invited 15 or 16 top officials of the Welfare Ministry to an informal dinner at a restaurant. Hashimoto, an ex-minister, was also invited. However, Hashimoto, after arriving late, began his greeting, saying: 'A fool like Watanabe is now your minister. Please try your best to assist him.'

The attending bureaucrats were reportedly appalled that Hashimoto, an invited guest, "would make such a remark."

There are more episodes of public scathing of others by Hashimoto. Following the 1993 general election, the second term Diet members took the newly elected members to see Hashimoto, who was the chairman of the Policy Research Council at the time. The new Diet members congratulated Hashimoto for becoming chairman. Hashimoto was outraged and shouted: "It is very impolite of you to congratulate me. Don't you know how to pay respect?" For Hashimoto, who had served as secretary general, becoming chairman of the Policy Research Council was like a demotion. Therefore, he would not accept the congratulatory greetings.

### Calculated Grandstand Play

It is reported that Hashimoto, because of his bad temper, has no followers. In order to win the presidential election, he needed the cooperation of the former Obuchi faction. But because he even angered Obuchi, the faction boss, one can say that Hashimoto's arrogance is quite something.

On 31 July, Hashimoto met with Obuchi and asked him: "I would like you to resign as vice president, so as to shake Kono up." When Obuchi turned him down, Hashimoto reportedly threatened Obuchi, saying: "Even if you do not resign, I am going to run for president. You know that, don't you?" A person concerned with the former Obuchi faction said: "Immediately after this exchange, Obuchi let off steam, calling Hashimoto that swine," while talking with reporters who are close to Obuchi.

Perhaps, because of his deep-rooted confidence, or perhaps, because of his insensitivity to others' feelings, Hashimoto creates these sort of episodes wherever he goes. Moreover, there are other factors that aggravate the people around him.

Once again, when Hashimoto was chairman of the Policy Research Council, a young Diet member requested his presence at a gathering of the young members' support group. Hashimoto coldly said: "I cannot make up my schedule alone." After the third request, Hashimoto finally said O.K. However, this young man was reportedly upset, saying: "He tries to impress you too much."

A Shinshinto member says: "During the period of the Takeshita faction, Ichiro Ozawa (currently secretary general of the Shinshinto), used to make funeral arrangements right away, when a family member of a faction member passed away. Afterward, Ozawa would

respectfully remain behind the scenes. On the other hand, Hashimoto would appear at the wake and would sit among the family members of the deceased, greeting visitors as if he were a family member. This was frowned upon by others. Moreover, when the Soseikai (Takeshita faction) was established, Hashimoto, who was not one of the core members, made a fuss over his seating assignment, which was below that of Tsutomu Hata (former prime minister) and Ichiro Ozawa. Also, once Ozawa said to Takeshita: The spoiled one (Hashimoto) will again make a lot of noise, unless you assign him one of our top executive positions."

Hashimoto is criticized for his appetite for "grandstand plays," as well as his calculated moves to remain behind the scenes, when things may not work for his own interests. An LDP leader says: "At last year's prime ministerial election, Hashimoto made many phone calls, urging young Diet members to vote for Tomiichi Murayama (the prime minister). He did this privately, asking the young members not to disclose his phone calls. He was aware of much opposition, both within LDP and by the public, against establishing the Murayama administration. Also, he never spoke up when there was heated discussion concerning the political reform bill. He calculated that his words might damage him."

Because of Hashimoto's offensive remarks and his continued actions to stay away from problems which might not serve his interests, he is viewed by his fellow LDP members as a leader "who only does things, which make him look good. He will never do the dirty work. This is why no one trusts him, nor will follow him wholeheartedly. He is now being supported, because of the upcoming general election, but even if he is elected LDP president, he will be like a naked king. When a crisis arises, he will be isolated. He is said to have leadership, but leadership without a conciliatory attitude easily becomes a grandstand play," according to an LDP leader.

#### He Can Only Be Boss of Zoku Members

There are other problems. If Hashimoto becomes prime minister, he has to demonstrate leadership in coordinating the interests of the ministries. But if he favors one ministry or one industry over the others, he will have trouble managing these affairs. This point alone indicates that he is not beyond being a zoku member. Moreover, a reporter, who used to follow the developments of the former Keiseikai, says: "Although Hashimoto is known for his ability to gather political funds, his support organization, Shoryukai, consists mainly of physicians and pharmaceutical concerns. He is not of the same caliber as Mr. Takeshita, who is supported by wide-ranging industries and personal connec-

tions. Furthermore, Hashimoto would chair The Japan Association for the Bereaved Families of the War Dead and would pay visits to the Yasukuni Shrine, so as to appeal to a specified influential group, but he is not concerned with the affairs of the coalition government, which consists of the LDP, Social Democratic Party of Japan [SDPJ], and Sakigake [Harbinger Party]. In a word, Hashimoto can only be the boss of a specific zoku."

Also, it is questionable that Mr. Takeshita has not stated his position on Hashimoto's running for the presidency. An LDP leader said: "Right now, Seiroku Kajiyama leads the support efforts for Hashimoto. Kajiyama hopes to gain behind-the-scenes influence, but this would overshadow Takeshita's power. Takeshita is not making his position clear, hoping to avoid a downturn in his influence. Besides, Takeshita has a better relationship with Kono than he has with Hashimoto. Takeshita is weighing the situation carefully, because whoever becomes the next president, Takeshita would like to maintain his own influence."

Furthermore, a certain high official of the Finance Ministry is rather negative about Hashimoto. He says: "Hashimoto is not popular. He does not pay attention to others like Takeshita does, nor does he have a strong personality to lead others like Ozawa has. He is stubborn, lacks an ability to understand jokes, and is striving hard to attain fame and gain, but without paying attention to friendships."

Realistically, the rising support for Hashimoto, is not enthusiastic. Support for Hashimoto is merely a reaction by those who oppose President Kono, who is the main candidate for the post-Murayama race, but who also lacks leadership qualities. It will be a misfortune for the Japanese people, if either Hashimoto or Kono is elected as the the next prime minister.

#### Hashimoto's Move to Conservative Merger Predicted

952B0239A Tokyo SHUKAN ASAHI in Japanese  
15 Sep 95 pp 140-143

[Article by Takeshi Soga and Shinji Takahashi, SHUKAN ASAHI reporters: "Conservative Merger, Elimination of SDPJ Which Came Into View Because of 'President Hashimoto'"]

[FBIS Translated Text] *There often occur in the world of politics situations regarding which, when considering them later, one can think: "Ah, that was a turning point." And we will state positively that if one peels off one layer, the current rambling dispute over the election of the president of the Liberal Democratic Party is also,*

*in fact, a critical turning point. The world of politics has quietly, but surely, begun to assume a defensive posture in a certain direction. It is turned toward a "conservative-conservative alliance" of the LDP and the New Frontier Party.*

The LDP officers' meeting of 28 August was worth watching from the point of the interest of observing human behavior.

The one with the most relieved expression was Yohei Kono, who suddenly announced at the meeting that he had given up the idea of running in the election for LDP president.

"It was his biggest smile in the 2 years since he became president," testified an observer.

In a prelude to the presidential election, the strategy by which Kono appointed Chairman Hiroshi Mitsuzuka of the former Mitsuzuka faction, which is the foremost faction, to secretary general, was unpopular, and Kono was attacked severely by the camp of the opposing candidate, Ryutaro Hashimoto, by asking "Do you intend to hold an outmoded faction election?" That probably affected him considerably and he choose to flee from that "stigma" rather than to cling to the contest in an unrefined manner

The other party who was displaying a relieved expression was Executive Council Chairman Kabun Muto.

He is an honest person. He tried to push Kono, but the majority of the former Watanabe faction, to which he belonged, took into consideration the will of Michio Watanabe, and supported Hashimoto. It seems that he was relaxed at being freed from the predicament.

The one at the extremity of confusion was Policy Affairs Research Council Chairman Koichi Kato, who belonged to the same former Miyazawa faction as Kono. He tried to thank Kono for his services, but the meaning of what he was saying was unclear; even at a television interview, it was a succession of "That's too bad."

From the beginning Kato was a "secret supporter of Hashimoto," and while claiming that his vote was decided, he sent Diet members who were close associates of his to the Hashimoto camp. However, if Kono dropped out, Kato, himself, who had advocated an open election, could very well be supported as a candidate to oppose Hashimoto. It is no wonder that he was frightened.

The one who was strangely calm was Hashimoto's "guardian," Vice President Keizo Obuchi, chairman of the Obuchi faction.

In spite of the fact that he ought to have been a "winner," he said, without even a smile: "I want to praise

the accomplishment of President Kono, who achieved the restoration of the government to us." When Kono responded, saying: "It is an honor to receive the standard praise," Obuchi added: "It is hardly standard. Actually it is great," repeating it in a very serious voice.

But there is a reason for Obuchi having been dejected. An executive of the former Miyazawa faction who had come around to support Hashimoto worries.

"The present Hashimoto camp is like an 'eclair' that came formed in a loose manner because of the 'anti-Kono' opportunity produced by the defeat in the upper house election. If Kono, the main person, disappears and if a scandal or something comes out regarding Hashimoto, and the outer 'shell' of young Diet members peels off, the 'custard' inside, that is, the fact that the Hashimoto camp, too, is essentially the former Takeshita faction (former Obuchi faction), will be completely exposed."

Within the LDP there is still a strong aversion to a revival of the Takeshita faction, which was once the most powerful faction. If things go on as they are, far from preparing for battle in stealth by wearing "armor under a robe," the armor will fully be visible. The Hashimoto camp therefore thinks from the bottom of their hearts such things as: "We fought a bungling fight. We pressed Kono too hard. We wanted Kono to persevere to the very end," (Obuchi faction executive), and although it is a strange thing to say, they regret Kono's withdrawal just like Kono's supporters.

In fact, about the time Kono announced that he would not run, there began to appear in Nagatacho, in a plausible manner, things in the nature of mysterious documents, such as a "list of eight women" with whom Hashimoto is said to have had affairs including "suspicions of scandals with foreign women" regarding which "the Ministry of Foreign Affairs has grave concern."

On one of the women, who was originally a Ginza bar hostess, such "information" run around as that "a weekly photo magazine succeeded in getting an exclusive admission," and "the true relationship having been reported to him, the top executive of the former Obuchi faction could find no words to go on."

#### **Secret Documents That Are Appearing; Eight Women?**

But there is a more troublesome problem. Actually, at the time when the birth of a Hashimoto presidency became certain, the majority of LDP Diet members "adopted a defensive posture" against a certain "trick," which naturally ought to have advanced in a more



stealthy manner, and began to feel a growing sense of crisis. In fact that may be the biggest reason that all members of the former Takeshita faction became serious.

In this connection, let us gather representative opinions from each group in the current LDP.

Even in the former Komoto faction, from which Kono requested assistance, Seiko Noda, who announced support of Hashimoto from early on, spoke harshly of Kono, saying: "An open election for president was the best possible opportunity to make known the fact that the LDP is the only open party. In spite of which, Kono chose to save his personal honor rather than the future of the party. He was a person who runs away when the critical time comes. No one would make a fool of him even if he had lost. In the final analysis, he was 'some-one of the Shinjiyu Club.' Because of this, he will probably spend his entire life as a foolish Diet member," but when it came to the outlook for after Hashimoto becomes president, she said this.

"The LDP's door is open. Even now, with the Kono setup, there are those, such as Seiichi Ota and his associates, who return to the party. Therefore, if Hashimoto becomes president, there ought to be many who would return to the LDP from the New Frontier Party, for which the Soka Gakkai-Komeito has now become the base."

In other words, she is saying that a "conservative-conservative alliance" will advance in which former Shinseito Diet members Hajime Funada and Keiwa Okuda, and former Prime Minister Morihiro Hosokawa and other Diet members of the former Japan New Party merge with the LDP.

The next is parliamentary vice minister for agriculture, forestry and fisheries Toshikatsu Matsuoka of the former Mitsuzuka faction. Here presents sophomore Diet members in the "Forum of Diet Members Who Will Be Responsible for the Next Era," a group of Diet members in their third term or lower, and declared his support for Hashimoto.

Matsuoka, too, is now feeling a growing sense of crisis at "a total conservative-conservative alliance."

"Originally the LDP split because of a power struggle centered on (New Frontier Party Secretary General Ichiro) Ozawa's ambition. In the past the LDP was criticized for a system of money power and faction politics, but the one at the center of that was Ozawa. To join with the Ozawa's strong-measure politics would be an act of suicide for the LDP. If it is a matter of something like joining with the New Frontier Party, which is centered on "the Ichi-Ichi team" (Ozawa and

former Komeito General Secretary Yuichi Ichikawa), the present LDP-SDPJ coalition is better."

If it became simply a "restoration with the core (Ozawa's group) attached," the reality of the conservative-conservative alliance would amount to a revival of the former Takeshita faction plus Soka Gakkai joining the LDP. The LDP still has a strong aversion to these two.

#### **A Sense of Alarm at Revival of Takeshita Faction Plus Soka Gakkai**

Therefore, Matsuoka states that the new framework of the government will be: "a conservative-conservative alliance which excludes the Ichi-Ichi team."

"There are many persons in the New Frontier Party who are former members of the LDP who were inadvertently drawn by personal ties. It is probably possible to have a secondary conservative union in which this group and part of the former Japan Democratic Socialist Party and Social Democratic Party of Japan, which have a common perception of policy, also participate."

Finally, former Posts and Telecommunications Minister Junichiro Koizumi of the Mitsuzuka faction, who was a member of the group which supported Kono. He says: "I will run for in the presidential election if no one runs as an opposing candidate to Hashimoto, and if there are 30 Diet members who approve the privatization of postal business that I talk about, and people who recommend me gather," but his interpretation that the future political situation will progress centered on a conservative-conservative alliance is clear.

"In the last two years the LDP and the New Frontier Party each formed a coalition once with the SDPJ and are tired of it. In the midst of that the mood for a conservative coalition is on the rise, Kono, who is close to the SDPJ and Sakigake, has decided to not run. If Hashimoto, who is more strongly conservative, becomes president, things will naturally go toward conservative-conservative alliance."

That is, leaving aside the merits, all stratum of the LDP are keenly aware of a conservative-conservative alliance.

This is not the majority opinion of only the LDP.

This past year the LDP-SDPJ-Sakigake coalition which was called an "illicit alliance," somehow continued unscathed because party-chief meetings of the "three liberal party leaders who are on good terms," decided things and held down the dissatisfaction of each party. The same was true of Diet decisions for 50 years after World War II. Since the hawkish polemist, Hashimoto

will join in, no one knows when policy deliberations will break up and the coalition will shatter.

Of course Prime Minister Tomiichi Murayama will probably try to avoid a dissolution of the Diet and general election which would be detrimental to the SDPJ, but Diet members close to the prime minister also appear to have resigned themselves to the fact that the trend toward a conservative-conservative alliance will grow stronger.

One of them says: "A mood of confrontation between the LDP and the SDPJ has increased, and when it comes to the general election, if the LDP cannot gain a majority, the only option left for Hashimoto would be formation of a conservative-conservative coalition. It is a logical necessity. We know where we are headed; therefore, conversely one can predict that LDP-SDPJ confrontation could intensify even under the Murayama government. But since the LDPJ should form its new party by making the contrast with a conservative-conservative alliance clear, the campaigning for new party would become easier."

If the future of the current LDP-SDPJ coalition can be seen, it is natural that actions to grope for "the next move" will appear throughout political circles. Recently, when a mainstay executive of the LDP met a former Komeito executive, he was astonished to have this "word put into his ear."

"If one excludes the Ozawa group, the New Frontier Party can work with the LDP. The Soka Gakkai can also work. The only problem is Ozawa."

At a time when political circles all bend to a conservative-conservative alliance, those who are mortified are the Diet members who are close to Kono.

In the latter part of August, Taro Asou and his associates, who are close to Kono, met any number of times with Koichi Kato and sought his cooperation with Kono, saying the following.

"The era of coalitions will still continue. Can't you leave that to Kono? If you cooperate now, we pledge to make you prime minister when the LDP becomes a full-fledged government."

If at this point they had properly created a force to oppose Hashimoto, even if Kono had been defeated in the presidential election, there might be another turn for the Kono "antimainstream faction" group to come to the fore in politics once more in cooperation with the SDPJ and Sakigake.

Kono's close associates were imagining: "Fighting against the Hashimoto camp to the very end and form-

ing a core of 20 or 30 persons for an antimainstream faction."

However, even former Prime Minister Kiichi Miyazawa, who Kono counted on as final mediator, made no move to leave Karuizawa, to which he had gone to escape the summer heat. Therefore, Diet members of the former Miyazawa faction rushed to the Hashimoto camp as though competing with each other.

Among them was even a main-stay Diet member who, at the time of the cabinet reshuffle, telephoned Kono saying: "You will regret it if you do not make me a cabinet minister," and as soon as he learned that he would not be appointed, rushed in a breath to the Hashimoto election team and was put in charge of collecting votes from mainstay Diet members. The situation was such that Diet members of the former Obuchi faction on the Hashimoto team were amazed, saying: "It is truly a group of nobles, just as rumored. They are the same as the Fujiwara clan rushing hither and thither between the Taira and Minamoto clans." In any case, there is not even a certain prospect of support for a candidate to follow after Kono, so no group is visible which could become an antimainstream faction in the event that Hashimoto pushed ahead with a conservative-conservative alliance in the future.

The only thing that is certain is that the LDP as a whole is in the process of gradually fastening itself in the direction of disposing of the SDPJ in the near future.

#### **Tokyo Approves Singaporean Satellite Service**

*OW2109144095 Tokyo KYODO in English  
1316 GMT 21 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 21 KYODO — The Posts and Telecommunications Ministry said Thursday [21 September] it has approved Pacific Century Corporate Access (PCCA), a Singaporean telecommunications company, to build a relay station for satellite communications services in Japan.

The ministry is likely to approve a Japanese license to PCCA to offer satellite communications services in the near future, ministry officials added.

If materialized, PCCA would become the first foreign company to operate in Japan's satellite telecom market.

PCCA plans to carry telephone and facsimile services in Japan and China through a communications satellite of Hong Kong from late November, according to the officials.

Japan has long banned foreign companies from operating in Japanese telecommunication services. But in June

last year, it decided on a partial lift of the ban for the satellite services area as part of deregulation policy.

#### **Article Explores Honda-Mitsubishi Merger Talk**

*OW2609060895 Tokyo AERA in Japanese 11 Sep 95 pp 13-15*

[Article by AERA editor Kaoru Chonabayashi: "Are There Some Grounds for the Rumor About the Merger of Honda and Mitsubishi?"]

[FBIS translated text] According to an article published in a Hong Kong-based English language weekly this August, "Mitsubishi Motors Corporation, manufacturer of the famous four-wheel-drive 'Pajero,' and Honda Motor Company, manufacturer of the well-known 'Accord,' are discussing a merger." Japanese journalists who cover the auto industry are now checking out the facts; contents of the report were immediately dispatched to Japan.

In Japan, people began to talk about a possible merger of the two automakers at the end of last year. Rumors were that Mitsubishi would merge with Honda, to form a new company that would become Japan's second largest automaker, behind Toyota, and that would become the world's fourth largest automaker.

This rumor is still circulating. According to an unnamed senior official from a rival automaker, someone is intentionally spreading the rumor to feel out people's reaction to such a merger.

#### **The Japanese Automobile Industry Fears That It May Dwindle Away to Nothing**

According to the rumor, the two automakers are in negotiation through the intermediation of Kazuo Ibuki, chairman of Mitsubishi Bank. Ibuki strongly denied any possible merger between the two car manufacturers. Interviewed late one night at his home, Ibuki said: "The merger is absolutely impossible. The Hong Kong magazine just published an old story. Their corporate cultures are too different. The difference between the two automakers is much greater than the difference between Mitsubishi Bank and its merger partner, the Bank of Tokyo. A merger of Mitsubishi and Honda is absolutely impossible," Ibuki said.

Yet, however strong he may deny it, the rumor does not disappear. Why is that? It is because behind the rumor lies the severe situation that the Japanese automobile industry is now confronted with. Ibuki tried to toss aside the Hong Kong report as an old story. However, the reality is that there are now many facts on which to base the possibility.

Japan's domestic automobile output, which amounted to 13.49 million vehicles in 1990, began to decline with the bursting of the so-called economic bubble. In 1994, it fell to 10.55 million vehicles, down 22 percent from 1990.

Moreover, Japan's auto exports have been going down since 1986, because of the continuous rise of the yen against the dollar. This downward tendency will not change because Japanese carmakers are planning to further boost production in overseas areas. Therefore, the domestic output is expected to decline further.

Under such circumstances, people have begun to say that there are too many carmakers in Japan. At present, there are a total of 11 Japanese automakers, including truck manufacturers. "The United States has only three big automakers. Why should Japan have so many?" This is what many people are saying now.

Although Ibuki denied the possibility of the Mitsubishi-Honda merger, he also admitted that having 11 automakers was excessive.

Each automaker is suffering from a worsening of its business environment. Six makers out of 11 went into the red during the past three years. Japanese automakers are really in a fix, because they cannot count neither on the domestic market, which has almost become saturated, nor on the export drive because of various trade frictions and restraints on Japanese exports. Japanese automakers, which represent one of the most important industries of the country, are afraid that they may dwindle away to nothing.

There is another story providing a basis for the rumor about the Mitsubishi-Honda merger. According to another report, there was a pocket notebook left open on the desk of a division manager at the Ministry of International Trade and Industry (MITI). The words "Honda" and "Mitsubishi" were written on it, and they were linked together by a dotted line.

Since MITI has been saying for some time that there were too many automakers in Japan, there is little surprise in hearing that a division manager has drawn a reorganization plan for the Japanese automobile industry.

#### **The Mitsubishi Group Is Promoting a Strategy of Using Mergers To Secure Position**

According to the Automobile Management Development Research Institute, which provides automobile industry-related information based on research studies, the rumor about the Mitsubishi-Honda merger is supported by the intimate relation between Honda and Mitsubishi Bank. "Honda fell into financial difficulties



around 1952 to 1953, right after it moved from Hamamatsu to Tokyo, because at that time, it did not have any strong connection with a specific bank. Only the manager of a Mitsubishi Bank branch office accepted to advance funds for Honda. Honda was able to survive thanks to this person. Soichiro Honda was extremely touched by the manager's kindness. Since then, Mitsubishi Bank remained Honda's main bank," Nobuyoshi Yoshida, president of the Research Institute, said.

Mitsubishi Bank is also Honda's main stockholder. If Honda wants, it can smoothly merge with Mitsubishi Motors because its merger partner and its main bank belong to the same business group. Moreover, Chairman Ibuki of the Mitsubishi Bank is also a board member of Honda.

Meanwhile, the Mitsubishi group has actively been promoting a strategy of using mergers to secure position, during the past few years. In 1990, Mitsubishi Metal merged with Mitsubishi Mining & Cement to form Mitsubishi Materials Corp. In 1994, Mitsubishi Petrochemical merged with Mitsubishi Kasei to become Mitsubishi Chemical Corp. This year, Mitsubishi Bank announced its planned merger with the Bank of Tokyo.

It is clear that the Mitsubishi group is trying to strengthen its member companies through reorganization, in order to survive into the 21st century. Many companies in the Mitsubishi group hold the number one position in their respective industrial sectors. Strengthening the position of Mitsubishi Motors, which is now Japan's third or fourth largest automaker, far behind No. 1 Toyota, has become one of the primary objects of the Mitsubishi group.

#### **It Rests With Honda To Decide**

According to long-time auto industry affairs correspondent Yuzo Yasuda, Mitsubishi Motors and Honda will be able to counter Toyota or Nissan Motor Co. if they decide to form a new company.

Many automakers have been promoting business and capital tieups with others. Toyota went into partnership with Daihatsu Motor Co. and Hino Motors while Nissan tied up with Fuji Heavy Industries and Nissan Diesel Motor Co.

As for Mazda and Isuzu Motors corporations, they cannot go into partnership with other Japanese automakers as they like because of their capital affiliations with U.S. automakers. Mazda is affiliated with Ford, while Isuzu is dependent on General Motors. Meanwhile, the Hamamatsu-based Suzuki Motor Corp., which describes itself as a "great minor business," continues to steer a course independent of other automakers. In other words, only Mitsubishi Motors and Honda were left behind

in terms of reorganization. "If Mitsubishi and Honda, which stand far behind Toyota and Nissan, want to survive, their merger will inevitably become a subject of discussion. The two can complement each other. Mitsubishi Motors is still weak on the overseas market, because it was slow in extending its business abroad, while Honda has already secured a strong position abroad, as the expression "Honda of America" shows," Yasuda said.

The two companies can also complement each other in terms of products. Mitsubishi is strong in the recreational vehicles market, while Honda is well known for its passenger cars, such as "Accord" and "Civic."

According to Yasuda, the rumor about the Mitsubishi-Honda merger was triggered by last year's bad showing of the Japanese automobile industry, and more particularly of Honda.

"Honda went into a slump because it tried to transform itself from a company with marked characteristics to a well-mannered company. Its business picked up a little bit after it reconsidered the new policy of becoming a well-mannered company. However, it totally lost the originality it had before. Now, Honda is like a small Toyota," Yasuda said.

According to observers, Mitsubishi Motors is eager to merge with Honda while Honda seems to be less interested because it wants to observe the spirit of the founder and preserve the company's high brand image. Their view seems to be correct because there is a difference in the way Mitsubishi Motors and Honda denied the rumor about their merger. Honda President Nobuhiko Kawamoto flatly denied the possibility of the merger with Mitsubishi while Mitsubishi President Hirokazu Nakamura said, "There is no possibility of a merger at the moment, but no one knows what will happen in the future." Whether Mitsubishi Motors will be able to merge with Honda totally depends on the Honda side.

Some executive officials of the rival companies suspect that Mitsubishi Motors and Honda have already formed a special secret project team to study their merger, despite their denial.

There are also many people who take a skeptical view of a Mitsubishi-Honda merger.

Atsushi Oi, manager of the Automobile Division at MITI, denied the possibility of a Mitsubishi-Honda merger, saying that there was no merit in it. "They don't need to merge and form a new company. They can remain as they are and work in close cooperation. The problem of the Japanese automobile industry is how to smoothly adjust the domestic output to the

level of 10 million vehicles. This can be achieved by promoting consignment production and standardization of auto parts. If these measures prove unsuccessful, we will figure out another way to adjust the domestic output," Oi said.

Yoshida is also skeptical about the merger of Mitsubishi Motors and Honda. "A tieup is eventually possible, but a merger is impossible because of the difference in corporate cultures and strategies," he said.

Yasuda also thinks that the possibility of Mitsubishi Motors merging with Honda remains slim at the moment because Honda recently achieved great success in the field of recreational vehicles. Honda's new recreational vehicle "Odyssey," which was put on sale last October, has been selling very well. "As a matter of course, Mitsubishi Motors wants to take the leadership when it merges with Honda. However, under the current circumstances, Mitsubishi Motors is unable to assume the leadership," Yasuda said.

The difference in their corporate cultures is also regarded as an important impediment to their merger. Honda is independent and free, while Mitsubishi Motors always behaves as a member of the Mitsubishi group.

#### **Everything Will Depend on Whether Honda's "New Civic" Will Be a Good Seller**

What is certain is that competition among Japanese automakers will become extremely fierce in the near future.

"At the moment, the gap between the domestic output and demand amounts to about 4 million vehicles. As Japanese car exports are declining, Japanese automakers will try to boost their domestic sales. Therefore, competition among Japanese automakers will become fierce. The point is whether or not their products will sell well on the domestic market," Matsushima said. Matsushima, who is chief researcher at the Nikko Research Center, recently compiled a report titled "The Japanese Automobile Industry is Under Pressure to Carry Out New Reform."

Meanwhile, Yasuda sees the following situation: "The merger will be realized only when Honda makes a poor showing. If Honda reaches its domestic sales target of 800,000 vehicles in 1998, there will be no need for Honda to merge with Mitsubishi Motors. However, if it fails to realize the target, it will have to consider the merger plan," Yasuda said.

Honda is expected to unveil a "New Civic" on 4 September. Will this new model become a good seller like "Odyssey"?

Ibuki himself said that the rumor will continue to circulate until the very day Mitsubishi Motors and Honda announce their merger. Everything will depend on how the business environment encompassing Honda will change, and more particularly, on whether its "New Civic" will be a good seller. The rumor will become a reality the day Honda strongly fears it may dwindle away to nothing.

#### **Growth in Environmental Industries Foreseen**

952A0765A Tokyo NOMURA RESEARCH  
in Japanese August 1995 pp 40-45

[Article by Yukio Moriguchi, researcher, Management Development Department, Nomura Research Institute]

#### **[FBIS Translated Text] Potential of Environmental Industries as a New Industry**

##### **Five Issues Facing the Environment**

With a backdrop of increasing awareness of environmental issues in recent years, environmental industries are about to undergo a major change. "Gentle to the environment" is a becoming a phrase in vogue and the general public is taking actions toward actively cooperating in the recycling movement. On the other hand, industry is developing products and manufacturing processes that consider environmental factors. Reportedly, products of corporations that do not take actions which consider the environment are shunned by consumers, thus threatening their very existence.

Now, the questions are what sort of environmental issues exist and what sort of business opportunities do they offer? The following discussion will classify environmental issues into five types:

##### **1. Prevention of the Warming Process**

We must control the emission of carbon dioxide to prevent warming of the earth. That goal requires measures to conserve energy. Systems which contribute to the attainment of such a goal include co-generation, heat pumps, local cooling and heating systems, and waste-generated electricity. Such technologies are currently undergoing expanded use.

Also, an effective measure would be the development of new energies which do not emit carbon dioxide. In other words, we are speaking of abandoning the use of fossil fuels. Such alternate forms of energy would include photovoltaic power generation and wind-power generation. Already, the Electricity Utilities Industry Law has been relaxed and such technologies are in a transitory stage leading to their commercialization. At the central government level, the construction of

pipelines is being contemplated as a means to making natural gas, which emits fewer carbon gases, a basic source of energy.

## 2. Protection of the Ozone Layer

Specified freons and trichloroethylene destroy the ozone layer which functions to protect the human body from harmful ultraviolet rays found in solar rays. The production of these substances will cease as of the end of 1995 in accordance with agreements reflected in the "Montreal Protocol." However, use of such substances for many purposes such as for cleaning and as coolants will require the development of substitutes and new methods to avoid the use of such substances. Another issue is the disposition of specified freons once they are used and are ready for disposal.

## 3. Control of Air Pollution

Nitrogen oxides and sulfuric acids are the cause of acid rain and photochemical smog. About 70 percent of nitrogen oxides originate with automotive gas emissions and their effect is serious in urban areas. Therefore, major emphasis is placed on automotive gas emission countermeasures. On the other hand, sulfur oxides originate with sulfur found in fossil fuels. Domestically, petroleum sulfur-removal technology has reached high levels and is not a very serious matter. However, the future dictates that such technology be offered to neighboring Asian nations.

## 4. Reduction of Waste

Annual growth in general waste disposal is running at 1.9 percent per annum, while that for industrial waste is running at 3.5 percent per annum, bringing waste-burning facilities and trash dumps close to their current capacities. Countermeasures effective for such situations include the establishment and renewal of trash dumps.

Local autonomous governments are responsible for the disposal of general waste, but in recent years, cases have increased in which collection and transportation chores have been contracted with commercial firms. On the other hand, disposal of industrial waste is the responsibility of the generating activity, but such chores are often contracted with outside firms. Also, awareness of waste disposal issues has led to the popularity of household trash compactors, along with efforts to recycle waste as a means of reducing the volume of waste going to trash dumps.

## 5. Reductions in Water and Soil Pollution

Increases in sewage have led to a deterioration in ground water supplies, for which countermeasures have been implemented, such as the construction of sewage systems. Domestic sewage facilities availability runs at

47 percent, which lags significantly behind Europe and the United States. In areas where sewage facilities are not practical, community septic tank systems would be effective.

Soil pollution emanates from the leakage of pollutants and inappropriate burials, and also is often caused by factories and research centers. In 1991, environmental standards for soil pollution were established, expanding the target areas and the pollutants concerned. Countermeasures included in the standards are centered on the adaptation of soil purification technology developed by Europe and the United States.

## Underdeveloped Market With the Potential for High Growth

Environmental markets are not very large at the present time. They were valued at 7.38 trillion yen in 1993. This figure includes 2.05 trillion yen for general waste disposal by local autonomous governments and exclusion of that amount brings the net figure to 5.33 trillion yen. Further, if 3.34 trillion yen in industrial waste disposal is excluded, the remaining balance becomes less than 2 trillion yen.

Market size including disposal costs for general and industrial waste, according to the Nomura Research Institute, is expected to reach 11.95 trillion yen in 2000 and 20.3 trillion yen in 2010. Industry growth through 2000 is expected to be 7.1 percent, which will be higher than GDP growth in recent years. In other words, the environmental industry is still small, but it is expected to offer promising growth in the future.

Generally speaking, underdeveloped industries of this nature incur high product and service costs which often precludes full-scale growth. Many of the environmental industries have developed adequate technology, but high costs obstruct growth as an industry.

Nurturing the environmental sector as an industry will require an analysis of each level involved. At the corporate level, there is a need to seek cost reductions based on the benefits of scale. At the government level, policy actions will be required to nurture the industry. In the following discussion, we will examine the conditions which must be pursued to nurture the environmental sector as an industry from the standpoint of the two levels mentioned above.



## Conditions for Nurturing the Environmental Sector as a New Industry

### Will It Be Possible To Achieve Cost Reductions by Pursuing the Benefits of Scale

Growth of environmental businesses as a new industry will require the pursuit of cost reductions by taking advantage of the benefits of scale. Now, let us examine several cases in a search for why current costs are high.

#### (1) Degradable Plastic

When we go shopping, items purchased are placed in polyethylene bags. Littering of used polyethylene bags became an issue and solar ray degradable bags have been introduced. Regular polyethylene costs about 120 yen per kilogram, but the degradable type costs about 400 yen per kilogram.

The difference in cost is based on the productivity factor. Both types use monomer as a common raw material. The degradable type requires a small amount of carbon gas, but this cost amounts to about 27 yen per kilogram and does not function as a factor causing cost increases. Also, both types share common production facilities. However, since both types are produced at existing plants, switching production from one type to the other reduces productivity. Producers assign such costs entirely to the degradable type polyethylene.

Therefore, when demand increases and volume production is achieved when manufacturing facilities are dedicated to production of the degradable polyethylene, costs should decline to the level of regular polyethylene. In other words, if initial demand is created through policy guidance, cost reductions through volume production of the degradable type polyethylene will become feasible.

#### (2) Electric Vehicle

Electric vehicles run on storage batteries and a motor and do not emit gases. Such vehicles are priced at three times ordinary gasoline vehicles in that they are gasoline vehicles that have been converted into electric vehicles. Such conversions are heavily dependent on manual labor and reflect low productivity. Such an illogical approach to the development of electric automobiles is used, because of the high costs of developing a completely new vehicle.

New vehicle development costs range from 40 to 50 billion yen for a completely new model, and about 20 billion yen starting from an existing base vehicle. Recovery of such development costs requires the ultimate production of 100,000 units of a given model. Current electric vehicle production is running at just over 1,000

units a year. Therefore, it is absolutely impossible to specially design an electric vehicle, and forces the industry to use the conversion process.

Now, the question is: What will be feasible if demand grows to the point where a specially designed electric vehicle becomes commercially viable? Basic components of an electric vehicle are electrical in nature such as motors and controllers and do not represent factors that would cause special cost increases. The propulsion system will involve a relatively cheap power source rather than a complex engine configuration providing for some cost savings. Productivity relative to assembly between gasoline vehicles and electric vehicles varies little. In other words, when production of electric vehicles reaches a level of 10 percent of overall automotive production, industry should be able to produce an electric vehicle at a cost near that of a gasoline vehicle. Therefore, it is quite possible to pursue the benefits of scale.

#### (3) Substitute Freon

Specified freons which destroy the ozone layer will no longer be manufactured after the end of 1995. Wherever specified freons are not used, substitute freon which does not destroy the ozone layer is being used. However, specified freon (CFC 12) used as a coolant in air conditioners costs about 350 yen a kilogram, while substitute freon (HFC 134a) costs about 1,200 yen a kilogram.

Substitute freon was developed not too long ago and we cannot disregard the fact that the current costs include a relatively high rate of development and depreciation costs; but aside from those factors, a complex production process has contributed to higher costs. The reason is that realization of a new freon with efficiency equal to that of the older version without destroying the ozone layer required a more complex chemical structure. Therefore, unless a radically new process is developed, cost reductions through mass production will be limited. In other words, even if a pursuit is made to take advantage of the benefits of mass production, the prospects of cost reductions are very limited.

#### (4) Recyclable Trays

Recently, recycling bins for food trays have been installed in front of super markets. Recovered trays are recycled into food trays. The raw material used in the production of trays is polyethylene which costs about 90 yen a kilogram. However, recycled material costs more than twice as much or about 200 yen per kilogram despite the fact they are recovered at no cost.

The breakdown of the 200 yen includes a recovery cost of 80 yen and a processing cost of 120 yen. The recovery cost involves transportation costs from the super market to the reprocessing plant. Processing costs involve the classification and cleaning of the recovered trays. This involves manual labor and consists almost entirely of labor costs. Such processes are labor intensive and there is a limit to the potential for cost reductions. Further, it would be difficult to pursue the benefits of mass production.

In a country like Japan where labor costs are relatively high, circumstances are such that we face inevitable limitations in any recycling effort.

As shown in our examination of four different examples, there are some instances where it is possible to pursue the benefits of mass production and some cases where that is not feasible. In the nurturing of environmental industries, we must make a clear distinction of such differences and formulate countermeasures which are compatible with the special circumstances.

#### **What Is Necessary as Policy Responses?**

The following three measures must be taken as a policy matter to nurture environmental industries:

##### **(1) Economic Support Measures**

Financial assistance measures include subsidization policies such as issuance of subsidies, preferential tax systems, and special loans. Such measures are effective on programs where unaided expansion in use of a technology is difficult because of inherent cost factors and contribute to the creation of initial product demand. Such measures are especially effective relative to technology or products where mass production will ultimately lead to inherent cost reductions.

Subsidies have a significant effect on the introduction of equipment in households such as trash compactors, community septic tanks, solar systems, and photovoltaic power generations. On the other hand, indirect subsidy policies such as preferential tax systems and special loans should be effective at the industrial level for co-generation systems and heat pumps which have high energy savings effects.

##### **(2) Review of Regulations**

This issue is divided into two major areas; i.e., strict enforcement of regulations and relaxation of regulations.

Strict enforcement of regulations is effective in those cases where introduction of a technology does not progress autonomously based solely on economic fundamentals. Compulsory introduction can create demand and produce results and mass production. When cost re-

ductions are realized based on mass production, we can recognize that the objectives of regulation have been achieved. Strictly enforced regulation is effective more so in those instances where cost reductions cannot be realized even with mass production. Technology of that nature will not spread autonomously and introduction through legal measures cannot be avoided.

On the other hand, relaxation of regulations is effective for systems on which an attempt is being made at commercialization based on new technology or concepts. The reason is that technologies and concepts have changed significantly between the time at which regulations were established and today. Simple examples are new energy sources such as solar and fuel cells. Such energy sources alter the status of power-generating facilities from the concentrated to dispersed format and pose a need to change the outdated Electricity Utilities Industry Law.

Nurturing of the environmental industry will require the development of a new legal system which addresses future environmental issues and the industry, rather than a partial revision of the old legal system or the flexible application of the old law.

##### **(3) Construction of Infrastructure**

Promotion of an environmental industry will require the construction of a social infrastructure. For instance, widespread use of electric vehicles will require the construction of eco-stations which are equivalent to current gasoline service stations. On the other hand, there is a need to lay natural gas pipelines as a means to make natural gas a basic energy which provides for reduced carbon dioxide emissions.

Construction of infrastructure of this nature will require huge expenditures and construction on the initiative of the private sector will be difficult to expect. However, once construction is completed, we can definitely expect major ripple effects. Therefore, implementation of construction projects by the central government and local autonomous governments should lead to the encouragement of corporate activity.

#### **Pursuit of Strategic Countermeasures**

##### **Why Does Regulation Take Place?**

Generally, regulations are implemented when the social need dominates. This principle applies even in the case of environmental issues. However, even when a social need dominates, it is rare that regulations are implemented immediately. As an example, I will address the agreement on suspending the manufacture of specified freon.

In the latter half of the 1970's, an ozone hole was discovered over the skies of the South Pole and destruction of the ozone layer became reality, thus bringing a measure of urgency to the issue of suspending the manufacture of specified freon. However, manufacture of specified freon was not enforced immediately.

In reality, suspension of manufacture was determined by the "Montreal Protocol" of 1990. Also, the protocol provided a leisurely approach calling for suspension of the manufacture of specified freon in the year 2000. Actions to be taken were to be of a slow pace because a substitute technology was not available; and because of the exceedingly huge impact that immediate suspension would have had, despite the urgency of the issue. However, a decision was made in 1992 to accelerate the suspension target date to 1995. In other words, in 1990 the attitude towards suspension was passive, but in 1992 the attitude turned positive.

The question arises: What prompted the change in attitude within a two year period? It is not a case where we cannot say that a rapid expansion took place in awareness of environmental issues; but we must not overlook the fact that Dupont succeeded in developing a substitute freon and was able to target a date for going into mass production. It became a case where social upheavals could be avoided even if regulations were enforced.

As long as social upheaval could be avoided, the logic of protecting the ozone layer could be upheld and enforcement of regulations could be accelerated. Any opposing forces would be subject to the charge of being indifferent by the public. In other words, logic could be used as a tool to create a situation in which the use of a newly developed technology would be mandatory. The impact was that Dupont could reap the benefits of being the lead supplier of substitute freon by virtue of the enforcement of the regulation.

We must be mindful of the fact that international environmental standards are at times formulated to coincide with the position of corporations which enjoy superiority in terms of technical developments.

#### **Increased Importance Enjoyed by Environmental Issues Because of the End to the Cold War**

If we assume a global perspective, we realize that attention was not focused on the environmental issue from the pure viewpoint of protecting the earth's environment.

Attention began to be focused on environmental issues in the latter half of the 1980's when the East-West Cold War ended and worldwide disarmament became a trend. The "Berlin Wall" collapsed, the Soviet Union was

dismantled, and the hypothetical enemy of the United States disappeared. Such circumstances forced the U.S. military arms industry to undergo radical change. Such conditions provide a glimpse of the United States where downsizing of military arms industries led to the need for creating new industries.

The 1980's signaled the arrival of the time when the earth's environmental issues were no longer a matter of concern but a time when they must be confronted as real issues. It was at that point that environmental issues gained the limelight for the potential of creating new industries to replace the military arms industry. In reality, the United States did not have an intricate industrial policy such as that of Japan and it was necessary as a nation to turn to environmental issues as a means of converting military technology into civilian technology. Doing so provided a practical way of converting military technology into civilian technology.

On the other hand, downsizing of the military arms industry was accompanied by an exodus of superior technical resources to other industries. The destination in some cases turned out to be the environmental industries. By the way, in postwar Japan, skilled technicians from the arms industries migrated to the automotive and electrical equipment industries. Eventually, the technical competence of such individuals enabled Japan to achieve overwhelming global competitiveness.

If we were to draw an analogy here, there is no mistaking the fact that U.S. environmental industries will achieve rapid competitive prowess. Also, it is not impossible to virtually restrict imports on the basis of logical arguments addressing the issue of environmental protection. Further, if the United States takes the lead in the development of related technology, it will be in a position to impose such technology on other nations.

In reality, the U.S. Environmental Protection Agency is attempting to impose regulations which will call for the labeling of those products that use specified freon during the manufacturing process. Thus, products to be exported to the United States must not involve the use of freon in accordance with such standards. This very fact is having an effect on Japanese export industries.

As indicated in the foregoing discussion, taking aggressive global initiatives concerning environmental issues offers the opportunity to lead the world in industry as a whole. If we fail to recognize this fact and merely speak in sentimental terms, such as "gentle to the environment," there's nothing to guarantee that we will not find ourselves behind the eight ball. We must fully recognize both the overt and covert aspects of global trends and assure ourselves that we do not become mere victims of circumstance.



### **Not To Be Approached With Kid Gloves; Strategic Measures Essential**

What sort of strategy should Japan's environmental industry assume to become a global leader? In a sense, we are speaking of a national strategy which transcends individual corporate strategy. Industrial policy should also be treated from a similar perspective.

Domestically, provision of developmental support to the environmental industry is imperative as a matter of policy for purposes of establishing infrastructural assets. We should provide policy support and the means for early establishment of elements of the industry where the creation of initial demand will give birth to benefits of scale. Worthy of mention at this point is that once benefiting industry elements reach the stage of enjoying benefits of scale, support should be discontinued and the industry element allowed to exist under purely uncontrolled competitive forces. Persistent support will deprive industry of the opportunity to develop long-term competitive strength.

In reality, there is an advantage in using technology accumulated under pollution countermeasures during high economic growth periods. There is a need to concentrate resources in sectors where accumulated technology can be used and to utilize such moves in enhancing competitive capabilities.

The issue at this point becomes international coordination which calls for an understanding of each nation's circumstances in formulating actions to be taken. This sector involves power politics which are disguised under the euphemism of global environmental protection and can be referred to as the *modus operandi* for negotiating with other nations. Unless we respond to the situation with this awareness, Japanese industry could be compromised.

Avoiding such a situation makes it indispensable that Japan actively engage itself in the development of environmental countermeasures technology, while embracing the clear-cut vision that Japan will maintain a leading position. And, the results of such research should be offered to other nations as a means of gaining leadership and to form a pro-Japanese group of nations on environmental issues. In other words, it will be a case of taking the initiative in establishing and seeking widespread adaptation of environmental standards.

When we reach this point, we are speaking of diplomatic policy rather than industrial policy. And, such global power should be used as a backdrop for formulating a strategy for assuming leadership in promoting environmental regulation. As an example, we can think of providing substantial aid to countries which lag in the

area of environmental technology. Such actions can be used as a basis for proposing international environmental protection conferences and seeking the participation of other nations.

Japan has learned from its one time serious pollution problems and has imposed strict environmental regulations even when viewed from a global perspective. It has also developed advanced technology to conform with such environmental standards. Japan must call upon the world using such technical prowess as a "negotiating card" and convert its ideas into a bold strategy to control global markets. The situation is such that environmental issues transcend national boundaries and cannot be avoided as global issues.

### **North Korea**

#### **Foreign Minister Meets U.S. Researcher**

*SK2609003095 Pyongyang KCNA in English  
1555 GMT 25 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 25 (KCNA) — Vice-Premier and Foreign Minister Kim Yong-nam today met and talked with Selig Harrison, senior researcher of the U.S. Carnegie Endowment for International Peace.

#### **American Urges Withdrawal of U.S. Troops**

*SK2409093995 Pyongyang KCNA in English  
0815 GMT 24 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 24 (KCNA) — The Japanese MAINICHI SHIMBUN on September 22 reported that the director of the U.S. Centre for Japanese Policy Studies, called for withdrawal of the U.S. Forces from South Korea.

He said, in a paper contributed to the recent issue of national interest, a U.S. magazine dealing with international affairs, that if another war break out in the Korean peninsula victims will be among the U.S. troops. The United States should withdraw its troops from South Korea so as to keep "disputes" on the Korean peninsula at a distance, he held.

He criticised the U.S. Administration's "Report on East Asia Strategy", which called for keeping its troops in South Korea, as "contradictory to the long-term interest of the United States."

#### **Crewmen of ROK Boat Hold News Conference**

*SK2609055995 Pyongyang Korean Central  
Broadcasting Network in Korean  
1119 GMT 25 Sep 95*

[FBIS Translated Text] Crewmen of the South Korean fishing boat 86 Usong, which was apprehended by

a naval patrol boat of the Korean People's Army [KPA] after infiltrating deep into the territorial waters of the Republic on 30 May gave a news conference in Pyongyang on the afternoon of 25 September.

The portrait of Comrade Kim Il-song, the great leader of our party and our people, and that of the great leader [Yongdoja] Comrade Kim Chong-il were placed at the place where the news conference took place. Reporters of the publication and press sectors in Pyongyang attended the news conference. We will carry the news conference.

[Begin recording] [Unidentified moderator] We will start a news conference with the crewmen of the South Korean boat 86 Usong, which was apprehended by a naval patrol boat of the KPA after intruding deep into the territorial waters of the northern half of the Republic on 30 May. Today's news conference is given at the request of the crewmen of the South Korean boat 86 Usong. Pak Chae-yol, the master of the South Korean boat 86 Usong, will speak first.

[Pak Chae-yol] Reporters, thank you very much for attending this news conference despite your busy schedule. I will first introduce our crewmen. I am Pak Chae-yol, master of the 86 Usong boat of the Usong Fisheries Company in Inchon. This is the chief engineer of our boat.

[(Kim Pu-kon)] I am (Kim Pu-kon).

[Pak] This is crewman (Kim Yong-an). This is crewman (Yu Pyong-sok). This is crewman (Yi Pyong-so). I will speak first.

As I stated in my letter of apology which I presented to the pertinent authorities of the Republic, I am the person who has committed an unforgivable crime against the DPRK. I, first of all, committed the crime of illegally infiltrating deep into the territorial waters of the Republic.

The following is how we infiltrated into the territorial waters of the Republic. On 14 April, the 86 Usong, of which I am the master, left the Inchon port with our mother fishing boat, the 85 Usong. I, the master, and chief technician Kim Su-kon, even though both of us have (?no certificate), were employed by the owner of the boat and went out for dangerous fishing aboard the 86 Usong, which was about to be scrapped, in order to maintain our existence.

Our boats caught fish while sailing northwest. In addition, on 26 May, we illegally infiltrated into the Chinese territorial waters off the coast of the Shandong peninsula and caught fish. When a Chinese naval vessel tried to apprehend our boats, we fled without responding to

the crackdown. While we were fleeing, the 85-Usong mother fishing boat was captured due to an engine failure, and our boat continuously fled and left the Chinese territorial waters.

We should have come to our senses at that time after repenting our wrongdoing. However, our boat, this time, committed a crime of infiltrating deep into the territorial waters of the Republic. I will explain this using a marine chart. Thirty-eight degrees, 37 minutes, 30 seconds north latitude is the point we infiltrated into. This is the point. Here is 30 minutes, and here is [word indistinct]. The point is 124 degrees, 51 minutes, 38 seconds east longitude. This is a mere 4.5 nautical miles from [words indistinct] of the North.

It was only 4.5 nautical miles away, here at the point 124 degrees, 51 minutes, and 38 seconds east longitude. We violated the territorial waters from here to here. We set sail from the Shandong peninsula. We sailed downward, then changed the direction toward north. We violated the territorial waters from here to here. We started to run away from here while a coast police boat and a Navy boat approached. We were caught here.

This confirms that the 86 Usong was 37.7 nautical miles away in a straight line from the Military Demarcation Line, and that it illegally infiltrated 27 nautical miles inside of the North's territorial waterline. We committed another crime by rejecting the due deterrence measures of the Republic and running away according to the orders of the South authorities. Since it was confirmed that the 86 Usong illegally infiltrated deep into the territorial waters of the Republic, we should have responded to the control by the People's Army patrol boat and begged a pardon, but we did the opposite.

The People's Army patrol boat that discovered our boat approached while sending international signals from far away asking us to stop. At this time, our South Navy patrol boat, Kalmaegi, and the South Maritime Police boat sent radio messages asking us not to respond and urgently run away. We ignored the signals sent by the People's Army patrol boat and blindly fled. The People's Army patrol boat fired signal flares and later warning shots. The People's Army patrol boat did everything possible to place our boat under control without accidents. However, we continued to flee at a maximum speed with one goal to escape the territorial waters of the North.

From the beginning, our desperate runaway was commanded by the South Navy boat and the Maritime Police through radio messages. They sent an order asking us to turn around our boat 180 degrees and flee toward 270 degrees. They threatened us not to be caught and sail southward at a full speed. When the People's



Army patrol boat came within the firing range, they told us to run away in a zigzag direction no matter how close the North patrol boat approached. We were driven to the wall by them. We had the foolish idea that we could have escaped the People's Army patrol boat if we followed the orders of the South authorities. We even thought about colliding with the People's Army patrol boat that blocked our way. As a result, the 86 Usong was severely shot by the defense measure of the People's Army Navy patrol boat.

The boat was damaged and the crewmen injured, but we were not caught at that time. Our boat was caught here at 38 degrees, 20 minutes, and 40 seconds north latitude and at 124 degrees, 23 minutes, and 35 seconds east longitude; and 20.8 nautical miles from the Military Demarcation Line.

I frankly admit that the tragedy resulting in the wreckage of the 86 Usong boat and the death of several crewmen, is the result of our reckless attempt to flee at the order of the South Korean authorities.

Concerning this tragedy, I cannot but condemn the South Korean authorities for being responsible.

Successive South Korean rulers infused a sense of antagonism against North Korea into us South Koreans by viciously carrying out anti-communist and anti-North commotions. In particular, they deceived our fishermen by claiming that if we were captured by North Korea, we would not return alive.

We, who lived under such false propaganda, had the foolish idea that we must not be caught by the North in order to live, and tried to flee by all means.

While being confined in North Korea, I have come to realize through actual experience, how criminal the false propaganda by the South Korean rulers has been and how (?ignorantly) we have lived.

Taking this opportunity, I again frankly confess that we the 86 Usong boat crew, after illegally intruding deep into territorial waters of the Republic, committed a crime of recklessly resisting the just demand of the North for compliance, and were arrested for this. I admit that all responsibilities rest on myself and the South Korean authorities.

North-South relations, which are dashing in the direction of aggravating tensions, will be further worsened and the nation's situation will be further strained because of the 86 Usong's crime. How can our crime be pardoned?

Nevertheless, the government of the Republic has bestowed leniency on us despite our crime, and has treated us with generosity. The relevant organization in the Re-

public treated us humanely, and helped us realize our own error and atone for our offenses.

Furthermore, the organization looked after those who were injured in the course of being captured warmly, in a humanitarian way filled with compatriotic love.

My colleagues, including the senior engineer who is here with us, were injured in the course of being captured, and were hospitalized in a hospital with modern facilities. They were completely cured under sincere medical treatment, without paying any hospital fee.

Today we are leading a comfortable life without any inconvenience under good conditions, which we can hardly imagine in South Korea.

With our wish granted generously, we were able to hold a memorial service for our forefathers during Chusok festival according to our custom. We even received a birthday table on our birthday.

With such touching, warm, compatriotic love and humanitarian steps, our crew is going so far as to say that they are not sure whether they have been brought to North Korea as criminals or as guests.

In North Korea, we have seen many things, which we cannot imagine in the South, and were greatly impressed by them. Thus, we have been able to make another new start in life.

Despite our grave crime, we have been warmly treated with compatriotic love and hospitality. I came to more keenly realize that this is precisely the benevolence extended by the great General Kim Chong-il, who embraces all of our 70 million fellow countrymen in his benevolent bosom and warmly looks after them, regardless of whether they are in the North, the South or overseas.

I admit that our crime cannot be pardoned, but should deservedly be punished sternly. I now conclude my statement. Thank you for listening.

[Unidentified moderator] That was a remark by Master Pak Chae-yol of the South Korean boat, 86 Usong. Reporters, if you want to know more, please ask questions.

[Unidentified reporter] I am a reporter for [words indistinct]. It was said that there were casualties when the 86 Usong was apprehended and that a crewman died thereafter. Can you tell us more about this in detail?

[Pak] As I said before, we, who infiltrated deep into the territorial waters of the Republic, flew without responding to the crackdown. The People's Army patrol

boat took self-defense measures against our boat which disobeyed its orders to stop.

Thus, at the site of the incident, navigation officer (Sin Hung-kwang) and boatswain (Sin Chae-kyong) died. Their death is wholly an unfortunate incident resulting from the criminal order by the South Korean authorities which forced the 86 Usong to run away, and we are also responsible for having blindly responded to this order.

If I, the master, had stopped the boat and responded to the crackdown, such a mishap would not have happened. Therefore, we must clearly reveal that the South Korean authorities and myself are the ones who are responsible for the death of the two crewmen.

Next, I will talk about Mr. Yi Il-yong who died of illness in North Korea. I have been acquainted with Mr. Yi originally and it was I who took him on board. I was also present at the moment of his death. Therefore, I can accurately and fairly talk about the cause of his death. Originally, Mr. Yi was so sick that he could not ride the boat. Since a long time ago, he had been suffering from complications of extremely aggravated critical tuberculosis, chronic gastritis, malnutrition, laryngitis, and [word indistinct]. If a man's weight is less than 40 kg, then I believe you can easily guess his health condition.

The problem is how such a sick person can ride our boat? His wife died in the early sixties, and lived like a vagabond without having anything to eat and no where to live. Since Mr. Yi was so pitiful, I allowed him to board our boat even though I clearly knew that he was a sick man.

Even after he rode the boat, he was not able to work well on the boat because of his sickness. Frankly speaking, even though it was certain that Mr. Yi's sickness was incurable, he was only waiting for the day to die, without even receiving any treatment because he had no money. He was finally able to go to hospital when he came to North Korea. That was when we were being investigated for our crimes. When North Korea's related organization found out that Mr. Yi's health was not good, he was immediately hospitalized. He received blood transfusions on many occasions and innumerable medicines were used.

However, North Korean doctors who were devoted and competent could not recover Mr. Yi who was in critical condition. Right before his death, Mr. Yi said to me: "Master, I have no regrets even if I die now. I received all the medical treatment here which I was not able to receive during my whole life of 60 years. I can't help it if I cannot become healthy even though I am taking so much medicine. I am happy over the fact that I will

die in North Korea. Even though I am cured, I will not go to the South. I will live here."

I would like to say regarding Mr. Yi's death as follows: I believe that even though Mr. Yi died in North Korea, he was killed by none other than South Korean society.

This is all I have to say.

[Unidentified crewman] I agree with what the master has said. I would like to say something about the death of Mr. Yi Il-yong. Although Mr. Yi Il-yong died after arriving in the North, I think that it is none other than South Korean society that killed him. That is all I have to say.

[Another unidentified crewman] I would like to comment about Mr. Yi Il-yong's case, too. I lived with Mr. Yi Il-yong since we arrived in the North, and I agree. That is to say that it was none other than South Korean society that made this old man suffer from such a chronic illness that forced him to have to work on a fishing boat in spite of his chronic illness. So, I think the South Korean authorities should take the blame for this.

[SUSAN CHONSON SINMUNSA reporter] I have a question. I am a reporter with SUSAN CHONSON SINMUNSA [Fisheries Frontline Newspaper]. The master of the 86 Usong mentioned briefly about the living conditions of South Korean fishermen. Would you elaborate?

[Kim Pu-kon] Let me address this one. I am Kim Pu-kon, chief engineer of the 86 Usong. All of the fishermen who are present here, are in their thirties or forties. However, none of us has a family, wife, or children. In other words, we are either widowers or old bachelors who could not afford to marry. Girls in the South do not want to marry fishermen like us. Girls who marry fishermen tend to run away later. Most South Korean fishing boats have become old and obsolete. So, nobody can predict when these old, obsolete boats will sink in the sea. All fishing equipment, including fish-detector equipment, is also very poor. To make things worse, we had to work at sea, rain or shine, as demanded by the owner of the fishing boat, to survive. So, working conditions for fishermen are always dangerous.

Speaking of my case, my father had a traffic accident last January. Upon receiving news of this mishap, I took a ferry boat and returned to land in order to meet him at a hospital. On the day I landed, the 28 (Sechangho), the fishing boat to which I belonged, sank in the West Sea [Yellow Sea]. As a result, all the crewmen of that fishing boat drowned. Even their bodies could not be found.

Such being the situation of South Korean fishermen, it is understandable that South Korean girls do not want to marry fishermen. Even if fishermen want to change their job, they cannot find other jobs, because there are numerous jobless people in South Korea. There are also many highly-educated, jobless people.

The South Korean authorities clamor about development of farm and fishing villages, measures for jobless people, and the like. This is an out-and-out lie. I curse South Korean society.

Let me say one more thing. As the master said, we are criminals who infiltrated into the territorial waters of the Republic. I feel that if the South Korean authorities had not ordered the 86 Usong, which had infiltrated deep into the territorial waters of the North, to run away blindly, and if our dead navigation officer and deck officer had not followed the South Korean authorities' order, we would not have committed such a big crime, and our boat would not have left such casualties.

So, I think the South Korean authorities should assume the blame for this. Therefore, the South Korean authorities should recognize their wrongdoing, apologize to the Republic for it, and renounce their maneuvers for North-South confrontation.

[[Kim Yong-an]] Let me talk about that. I am (Kim Yong-an), a crewman of the boat, 86 Usong. As the master had said, I am almost 40 years old. I am an old bachelor. Since I have no skill and was not much educated, I cannot even think about getting a job at a factory. Therefore, I became a fisherman, a job of the lowest rank. With this kind of job, no girl wants to marry me. I don't even have my own house. So, I live on this boat. All of the five crewmen sitting here are of the same situation.

Thus, I believe that you, reporters, will very well know how the South Korean fishermen are leading a tragic life. There are no measures being taken for the fishermen by the authorities. Wages are low and prices are high. It is truly difficult for the fishermen to live.

[Central Broadcasting Committee reporter] I am a reporter from the Central Broadcasting Committee. I believe that some time have passed since you came to the northern half of our Republic. I would like to know of your impression during your stay.

[[Yi Pyong-so]] I would like to comment. I am [word indistinct] (Yi Pyong-so). I felt a lot of things after coming to the North. I will give you one example. There was heavy rain this year in the South. When I watched the television, [words indistinct]. In the South, if there is a flood, there is a confusion. Many people die by drowning and lose a lot of property. However, in the

North, not even one person drowned in the flooded area. Rather, a baby was born.

General Kim Chong-il sent forces and tanks to the flooded areas, and saved even one life by sending an airplane. He also sent us clothes and daily necessities. I was deeply impressed by this great virtue and envied the North Korean people who are living in the bosom of the benevolent father.

I believe that if our 70 million people [words indistinct] and live by enjoying that happiness, we must achieve reunification. If reunification is achieved, the armistice line will be abolished and such misfortune that we suffered will not occur. I am truly ashamed of myself for having been so indifferent in achieving the fatherland's reunification because I was so busy living hand-to-mouth up until now. I will make efforts to achieve the fatherland's reunification.

[Unidentified moderator] If there is anything more you want to know, please ask questions. Are there no more questions?

[Pak] I would like to talk one more thing. We wholly admit to the crime we committed and once again apologize for our crime. We repeatedly express gratitude for treating us well with the brotherly love even though we committed a grave crime.

[Unidentified moderator] We will complete the news conference with the crewmen of the South Korean boat, 86 Usong. Thank you. [end recording]

#### Further on News Conference

SK2609061695 *Pyongyang KCNA in English*  
0511 GMT 26 Sep 95

[FBIS Transcribed Text] Pyongyang, September 26 (KCNA) — A press conference took place here Monday at the request of the fishermen of the South Korean boat "86 Usong," which was apprehended after illegally intruding deep into the western territorial waters of the North side. At the press conference they admitted their illegal intrusion, considering that they can hardly be pardoned and their crime should be strictly dealt with by the law of the North.

Belonging to the Usong Fishing Company based in Inchon city, the fishing boat had eight fishermen.

The boat, which illegally intruded deep into the North side's western territorial waters on May 30, fled in spite of a stop signal sent by a patrol craft of the Korean People's Army [KPA] Navy, before being captured.

The master of the boat, Pak Chae-yol, told reporters about the background of their illegal intrusion into the North side's territorial waters.



The boat left Inchon port on April 14 together with another fishing boat "85 Usong" and illegally entered the Chinese territorial waters off Shandong peninsula for fishing on May 26. When a craft of the Chinese Navy approached to check them, they made their getaway.

"85 Usong" was apprehended by the craft for an engine trouble and only "86 Usong" got out of the Chinese territorial waters.

Later, "86 Usong" intruded deep into the North side's territorial waters 4.5 nautical miles from the northern tip of Cho islet of the North, up to the point 38 degrees, 37 minutes 30 seconds north latitude and 124 degrees 51 minutes and 30 seconds east longitude. When the patrol craft of the KPA Navy saw the intruder boat, it sent the internationally-used stop signal to the boat.

Such being a situation, a South Korean puppet naval vessel and Maritime Police ordered the boat by a radiotelephone to flee southward at full speed without being apprehended.

The patrol craft made every possible effort to check the boat without a mishap. But the boat continued fleeing at full sail, leaving itself unable to escape from a self-defensive measure of the patrol craft.

The boat was damaged and its mate Sin Hung-kwang and boatswain Sim Chae-kyong died.

The boat was apprehended at the point 38 degrees 20 minutes 40 seconds north latitude and 124 degrees 23 minutes 35 seconds east longitude, 20.8 nautical miles north of the extension of the demarcation line on the sea.

The master of the boat honestly admitted that the damage of the boat and some casualties were attributable to their reckless attempt to flee on the order of the South Korean authorities.

The successive rulers of South Korea have persistently resorted to the anti-communist, anti-North campaign to imbue the South Korean people with antagonism against the North, and deceived fishermen into believing that if they were taken to the North, they could not return to South Korea alive, he said.

"Believing their false propaganda," he noted, "we added a crime to the illegal intrusion by trying to flee, foolish enough to think that if we were to live, we should not be apprehended by the North side."

The master honestly admitted again that the boat was apprehended after fleeing, ignoring the North side's legitimate demand, and affirmed that all the responsibility rests with him and the South Korean authorities.

He said the government of the North side treated them, who committed a grave crime, with generosity and compatriotic magnanimity, and he and the chief engineer, who got injured when the boat was being apprehended, were hospitalized and given a sincere medical treatment free of charge until they were fully recovered.

He also said an old man, Yi Il-yong, who could not get a medical treatment of serious tuberculosis, chronic gastritis, undernourishment, sequela of the cut laryngeal tumor, etc. And weighed himself less than 40 kilogrammes though he was nearly 60, enjoyed a sincere medical treatment in the North until he breathed his last.

"We have seen, heard and learnt a lot of things which we could not image in South Korea, so that we can make a new start of life," he said.

He said they have felt more keenly with each passing day that though they committed a grave crime, they could be treated with warm compatriotic hospitality under the benevolence of the great General Kim Chong-il, who takes care of all the 70 million fellow countrymen in the North, the South and overseas.

The Chief Engineer Kim Pu-kon and other fishermen unanimously told the press conference that they were offenders who illegally intruded into the North side's territorial waters, and the South Korean authorities must admit their wrongdoing, apologize to the North for it and discontinue seeking confrontation with the North.

#### **Students Protest Kwangju Decision in South**

*SK2609012195 Pyongyang KCNA in English  
1516 GMT 25 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 25 (KCNA) — About 5,000 students under the South Chungchong Provincial Federation of General Student Councils made public a joint declaration on September 23, demanding the punishment of the Kwangju murderers, a Seoul-based radio reported.

In the joint declaration, they denounced the puppet authorities' decision not to prosecute those responsible for May 18 massacre as a wrong decision to exempt them from crimes.

The students said that the puppet authorities should not defend the murderers but institute a special law, introduce the special inspection system and take a legal action against them.

**South Students Demand Punishment of 'Culprits'***SK2309052095 Pyongyang KCNA in English  
0443 GMT 23 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 23 (KCNA) — People of different circles of South Korea waged a struggle for the punishment of the chief culprits of the May 18 Kwangju massacre on Friday, said a radio report from Seoul.

An estimated 2,900 students of Korea, Sunggyunkwan, Yonsei and six other universities in Seoul held a rally and urged an enactment of a special law for bringing them to trial.

The People's Committee for Probing the Truth Behind the May 18 Incident and Inheriting the Spirit of the Kwangju Resistance called a press conference in Youido Hotel and presented to the "National Assembly" a petition for an enactment of a special law and a paper carrying 220,000 signatures to punish those related to the May 18 incident.

193 teachers of Hanyang University published a statement, in which they rejected the puppet authorities' decision not to prosecute the murderers and strongly demanded the punishment of traitors Chon Tu-hwan and No Tae-u.

Earlier, on Thursday, over 2,000 students of Sogang, Kyonghui and five other universities in Seoul held rallies, strongly urging an immediate punishment of the murderers.

**South 'Committed Military Provocations'***SK2309051795 Pyongyang KCNA in English  
0440 GMT 23 Sep 95*

["Ceaseless Military Provocations in DMZ" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 23 (KCNA) — The South Korean puppets committed military provocations aggravating the situation in the demilitarized zone (DMZ) on September 20 and 21, military sources said.

On Wednesday, about 30 puppet army soldiers, entrenched in an MP post within the DMZ in the western sector of the front, repeatedly took a firing posture with a 90 mm recoilless gun and 12.7 mm machine gun toward People's Army soldiers on a routine guard duty.

On Thursday more than 200 soldiers armed with machine guns and automatic rifles thronged into the DMZ in the eastern sector of the front and ran about madly, kicking up a row.

The puppets on Wednesday sent a machinegun-installed jeep and a military vehicle fully loaded with armed bandits into the DMZ of the Military Demarcation Line near Panmunjom.

The number of armed bandits of the puppet army swarmed into the DMZ in the western, central and eastern sectors of the front in two days totaled more than 1,500.

**Kim Yong-sam's DLP Appointments Viewed***SK2309054495 Pyongyang KCNA in English  
0505 GMT 23 Sep 95*

["Desperate Efforts for Propping Up Regime" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 23 (KCNA) — Recently, the traitor Kim Yong-sam of South Korea appointed "new heads of branch offices of the Democratic Liberal Party" and replaced bosses of the "civilian" repressive tools with his more wicked servants, in the hope of emerging from the serious ruling crisis and achieving "power stability," says NODONG SINMUN today.

In a commentary the paper says the latest reshuffle indicates that the traitor in the latter half of office is in a very unstable situation, so he is employing every conceivable means to build a "system serving him."

Though the Kim Yong-sam group, finding a way out of their serious crisis in creating the second and third fascist "security-oriented situation" and brutally suppressing the democratic forces, have filled the upper echelons of the repressive tools and the "DLP" with military dictators of the "Fifth and Sixth Republics" and the servants faithful to the traitor, this is a foolish intention, says the paper.

**'Brigandish' Fishermen Sink Guinean Fishing Boat***SK2509111495 Pyongyang KCNA in English  
1012 GMT 25 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 25 (KCNA) — A South Korean fishing boat reportedly stroke [as received] a Guinean fishing boat on August 9 while illegally fishing on waters off this country.

The Guinean ship sank down with sixteen fishermen aboard.

The robbers escaped in disregard of those fishermen crying for a help.

This inhumane and brigandish act is touching off a public protest.

**Hanchongnyon Delegates Meet Students, Workers**

*SK2509112595 Pyongyang KCNA in English  
1017 GMT 25 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 25 (KCNA) — Chong Min-chu and Yi Hye-chong, delegates of the South Korean Federation of General Student Councils (Hanchongnyon) under the South side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), and Choe Chong-nam, director of the Joint Secretariat of Pomchonghangnyon, had a get-together on September 23 with student committee members and students of Pyongyang University of Foreign Studies who called at their lodging house.

The visitors gave souvenirs and tonics to the delegates.

They said the patriotic determination of the delegates to courageously break through the barrier of division and brave personal sufferings and prison will be hailed and encouraged by the 70 million fellow countrymen and shift the struggle of students and people in the North and the South to realize reunification in the 90s into high gear.

The delegates said that the steadfast trust of one million students of Hanchongnyon was a great strength when they left Seoul and that the unforgettable eyes and minds of the compatriots in the North carrying desire for reunification will be one more great strength in their future struggle.

They said they would wage a more vigorous struggle with a firm conviction of and hope for reunification, stressing that although their bodies will be bound when they go back, their faith in and spirit for reunification cannot be bound.

The delegates, on the same day, visited the West Sea [Yellow Sea] barrage which was built as a great edifice of our era.

Earlier, the delegates met with young workers of Mansudae Art Studio at the Pyongyang Koryo Hotel and promised them to do more things favourable for reunification in the 90s.

**Foreign Groups Urge Release of Pak Yong-kil**

*SK2609015195 Pyongyang KCNA in English  
2219 GMT 25 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 25 (KCNA) — The world public vehemently denounced the South Korean authorities' inhumane violation of the human right of Presbyterian Pak Yong-kil, widow of Rev. Mun Ik-hwan and chairperson of the 70 million Korean people's meeting for embracing national unification and

co-chairperson of the family movement for realizing democracy who visited the North of Korea on the first anniversary of the death of the great leader President Kim Il-song.

The Austrian Jurists' Union for the Defence of Democracy and Human Rights in South Korea in a statement strongly demanded the South Korean authorities to immediately stop infringing upon democracy and human rights, release Pak Yong-kil at once and abolish the fascist "National Security Law [NSL]".

W. E. Kente, chairman of the Tanzanian Association of War Veterans, said in a press statement that her visit to Pyongyang was very natural and patriotic in view of the etiquette of honouring the memory of the father of the nation and ethics and morality and in view of national unity and reunification and her arrest by the "NSL" shows well to the world that the South Korean authorities are pursuing only confrontation, not reunification.

Basudev Acharya, member of Parliament of India, stressed in a press statement that the arrest of Mrs. Pak Yong-kil who went back after being received in audience by his excellency the great leader of the nation Kim Chong-il, the lodestar of Korea's reunification, is the most undisguised challenge to the movement for national reunification which is gaining momentum in recent days.

Her arrest should be internationalized and an international step for her immediate release should be taken, he said.

A group of Japanese Christians in a letter of protest to the traitor Kim Yong-sam stressed that her just visit to Pyongyang carrying the desire of the South Korean people for reunification cannot be a crime in light of universal political and moral principles of humankind and strongly protested against the South Korean authorities' arrest of her by dint of the "NSL".

The International Study Centre for Chuche-Oriented Mass Media in Nepal said in a statement that her arrest by the South Korean authorities is a violation of human rights and an act of blocking the peaceful reunification of the country and great national unity and violating the national interests and desire of the Korean nation, and strongly urged her immediate release.

**Group Issues Statement on Pak Yong-kil**

*SK2409111295 Pyongyang KCNA in English  
0820 GMT 24 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 24 (KCNA) — The Central Committee of the Korean



Democratic Women's Union issued a statement Sept. 23 denouncing the South Korean puppets' persecution of Pak Yong-kil and demanding the immediate release of the pro-reunification patriot.

Mrs. Pak visited Pyongyang to mark the first anniversary of the great leader President Kim Il-song.

The statement says:

The puppet clique's persecution of Pak Yong-kil is an unpardonable atrocity in view of traditional etiquette of the nation and ethics as well as in view of national reconciliation and unity.

If the South Korean rulers unreasonably penalize the old woman and cause anything unfortunate to her health, they will never go scot free, but face a thousand-fold retaliation.

The Kim Yong-sam puppet clique must unconditionally release her and ensure her free activities.

The statement calls on the South Korean women and other people to invigorate the patriotic struggle for the release of Mrs. Pak. It expresses the belief that all women and women's organisations who love peace and justice as well as the honest-minded people throughout the world will conduct a vigorous solidarity movement for her unconditional release.

#### **Workers Denounce 'Persecution' of Pak Yong-kil**

*SK2409101895 Pyongyang KCNA in English*  
0827 GMT 24 Sep 95

[FBIS Transcribed Text] Pyongyang, September 24 (KCNA) — A meeting was held at the Kim Chong-tae General Electric Locomotive Works on Saturday to denounce the South Korean puppet clique's persecution of Pak Yong-kil, a pro-reunification patriot.

Mrs. Pak visited Pyongyang and paid homage to the great leader President Kim Il-song at Kumsusan Memorial Palace on the first anniversary of the president, the father of the nation.

In their speeches at the meeting, workers said her patriotic deed can never be "incriminated." They bitterly denounced the Kim Yong-sam group as degenerate guys devoid of elementary human etiquette and customs.

If the puppets continue to imprison the sick woman above 70 and persecute her mentally and physically and anything unfortunate happens to her health, they will encounter bitterer curses and criticism by the nation and a thousand-fold retaliation by the workers, the speakers warned.

They strongly urged the South Korean authorities to abolish the anti-national, anti-reunification "National Se-

curity Law," which charges the pro-reunification patriot with "pro-North activity" and "escape and infiltration," and to release the illegally arrested woman unconditionally and immediately.

#### **Pomchonghangnyon Urges Pak Yong-kil's Release**

*SK2609055395 Pyongyang KCNA in English*  
0458 GMT 26 Sep 95

[FBIS Transcribed Text] Pyongyang, September 26 (KCNA) — The North side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) in a statement September 25 denounced the South Korean puppets for detaining and harshly persecuting Pak Yong-kil, a pro-reunification patriot, for the reason that she visited Pyongyang.

The statement said:

On the occasion of the first anniversary of the death of the great leader President Kim Il-song, Pak Yong-kil called at Kumsusan Memorial Palace in Pyongyang and paid homage to him proceeding from a noble sense of obligation to the father of the nation President Kim Il-song. This is a very righteous deed reflecting the feelings of South Korean people who revere him boundlessly.

The North side headquarters of Pomchonghangnyon vehemently denounces the Kim Yong-sam group's brutal suppression of Pak Yong-kil, branding it as a criminal act negating dialogue and opposing reunification to block the grand march of the fellow countrymen toward the reunification through confederacy in the 1990s and as an unpardonable challenge to all the youths, students and people at home and abroad who aspire after reunification.

What the Kim Yong-sam group intends in persecuting Pak Yong-kil and aggravating the North-South relations is to dampen the reverence and respect of South Korean people for the great father and the leader of the nation, eliminate the pro-reunification, patriotic forces in South Korea and save its government from the destructive crisis of rule, but it is a foolish design.

The Kim Yong-sam group should look straight at the reality, release Pak Yong-kil at once and scrap the "National Security Law", an anti-reunification law, without delay, the statement stressed.

#### **Pomchonghangnyon Delegates Visit University**

*SK2609062495 Pyongyang KCNA in English*  
0518 GMT 26 Sep 95

[FBIS Transcribed Text] Pyongyang, September 26 (KCNA) — Chong Min-chu and Yi Hye-chong, del-

legates of the South Korean Federation of General Student Councils under the South side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), visited the Pyongyang university of construction and building materials on Monday.

They were accompanied by Choe Chong-nam, director of the co-secretariat of Pomchonghangnyon.

While making rounds of the rooms of the architectural designs exhibition, the delegates were struck with admiration at the creative talents displayed and achievements made by the university teachers and students in erecting grand monumental edifices throughout the country.

The visitors had a talk with the university student committee officials and students.

At the end of the visit the delegates made an entry in a visitor's book.

Also Monday the delegates inspected the Moranbong Garment Factory.

**Graduation Diploma Awarded to 'Martyr'**  
SK2309114295 *Pyongyang KCNA in English*  
1041 GMT 23 Sep 95

[FBIS Transcribed Text] Pyongyang, September 23 (KCNA) — The 42nd graduation ceremony took place at Pyongyang University of Fine Arts on Thursday, at which a diploma was awarded to martyr Yi Nae-chang of South Korea registered as an honorary student.

Yi Nae-chang, who was a third-year student of the Fine Arts College of Chungang University, devotedly fought against the colonial military fascist rule of the U.S. imperialists and for independence and democracy of South Korean society and the reunification of the country.

He was elected chairman of the General Student Council of the University in 1989.

The fascist clique took him to a secret room of the "Agency for National Security Planning", brutally tortured to death and threw him into sea.

In May 1992 Yi was registered as an honorary student of the third year grade of sculpture course of the sculpture faculty of Pyongyang University of Fine Arts.

At the ceremony Dean of the faculty Kim Chae-kyong received the diploma in the martyr's stead.

**Namchongnyon Holds News Conference on 'Massacre'**

SK2509060995 *Pyongyang KCNA in English*  
0456 GMT 25 Sep 95

[FBIS Transcribed Text] Pyongyang, September 25 (ccna) — The Kwangju and South Cholla Provincial Federation of General Student Councils (Namchongnyon) in South Korea on Sept. 13 called a press conference at the General Student Council Hall of Chonnam National University and declared that it would conduct a campaign to obtain international support to the struggle for the enactment of May 18 special law, according to a report.

It decided to print literature and books in English, French and other languages showing the truth behind the Kwangju massacre and distribute them among foreigners during a fine arts exhibition which will be held soon.

Namchongnyon declared that it would inform the world of the Kwangju movement for democracy and the truth behind the Kwangju massacre to get support to its struggle.

**Daily Says Japan Wants Revived Military**  
SK2309042495 *Pyongyang KCNA in English*  
2211 GMT 22 Sep 95

["Broad Revelation of Aggressive Moves" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 22 (KCNA) — The Japanese reactionaries' "readjustment of defence capacity" and "military exchange and cooperation" with the South Korean puppets are a broad revelation of their efforts to turn Japan into a military power and realise overseas expansion, says MINJU CHOSON today.

In a commentary the paper says:

Since the cold war was terminated, Japan, which has a strong combat power, has found neither reason nor ground to go ahead with arms buildup.

They seek to cultivate strength for overseas expansion by turning Japan into a military power. It is an invariable ambition of Japan to invade Asia and dominate the world by force of arms.

They intend to launch overseas expansion in Korea. So, they are scheming to dispatch the "Self-Defense Forces" to South Korea under the pretext of "military exchange and cooperation" with the South Korean puppets and, further, reinvade Korea.

They are talking about the non-existent "nuclear threat" by the Democratic People's Republic of Korea, in the hope of concealing such moves of theirs.

Japan has never let a chance pass by without crying about the DPRK's "nuclear threat" and "discontinuation of nuclear tests." But its conduct disagrees with its words in discussions on whether the use of nuclear weapons is legal or illegal, and on the elimination of nuclear weapons.

It is, indeed, the height of sarcasm that Japan, which should be placed in the dock on the nuclear issue, charges the DPRK with the "nuclear threat."

The Japanese reactionaries' reckless moves present a great threat to the world peace and security.

They going against the trend of the time towards disarmament and peace will face a stern judgement.

#### **Chongnyon Tokyo Meeting Thanks Kim Chong-il**

*SK2309050195 Pyongyang KCNA in English  
0426 GMT 23 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 23 (KCNA) — A meeting of Korean educational workers, scientists in Japan and students studying at Japanese schools was held at the Korean hall in Tokyo on September 20 to extend thanks to the great leader Marshal Kim Chong-il for the remittance of the 132nd installment of educational aid fund and stipends.

Present at the meeting were Ho Chong-man, chief vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), and educational workers, scientists of Chongnyon and students studying at Japanese schools.

Yi Pok-nam, chairman of the Central Educational Association of Koreans in Japan, made a report at the meeting.

He said that Chongnyon and Koreans in Japan could achieve a brilliant victory, overcoming the sorrow at the loss of the nation's father Generalissimo Kim Il-sung and rigorous trials as they have had Marshal Kim Chong-il, an outstanding leader of the present era respected by all people, as their leader. He referred to the achievements in national education.

He called upon the educational workers to bring about a turn in national education by carrying through the decisions of the 17th Congress of Chongnyon and train the third and fourth generations and, furthermore, the fifth and sixth generations as creditable successors to the patriotic cause so as to contribute to strengthening the driving force of patriotism and steadily developing

Chongnyon into a patriotic organisation unfailingly faithful to respected General Kim Chong-il.

The meeting heard speeches.

A letter to Marshal Kim Chong-il was read out at the meeting.

#### **Condolences Sent Over Leader's Death**

*SK2309051695 Pyongyang KCNA in English  
0437 GMT 23 Sep 95*

[FBIS Transcribed Text] The Central Committee of the Korean Social Democratic Party, the Chondoist Chongu Party, the Democratic Front for the Reunification of the Fatherland, the General Federation of Trade Unions of Korea, the League of Socialist Working Youth of Korea, the Union of Agricultural Working People of Korea and the Korean Democratic Women's Union, the Korean committee for support to overseas compatriots, the general bureau of reception for overseas compatriots and other organs sent messages of condolence to the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) on the death of Yi Chin-kyu, deputy to the DPRK Supreme People's Assembly and first vice-chairman of the Chongnyon Central Standing Committee.

The messages noted that Yi Chin-kyu performed great feats for the strengthening and development of the movement of Koreans in Japan with unbounded loyalty to his leader, homeland and nation, until his last moments.

They stressed that though he passed away his precious feats for the accomplishment of the revolutionary cause of chuche and the development of the movement of Koreans in Japan and his patriotic devotion to the socialist homeland will remain long.

#### **Koreans in Japan Urge Release of Pak Yong-kil**

*SK2609014995 Pyongyang KCNA in English  
2207 GMT 25 Sep 95*

[FBIS Transcribed Text] Tokyo, September 22 (KNS-KCNA) — Kim Chong-su, chairman of the Association of Korean Residents in Japan for peace and reunification, published a statement on Sept. 22 demanding the unconditional and immediate release of Pak Yong-kil, who had visited Pyongyang.

The South Korean authorities are keeping her in custody and persecuting her, he said, adding that this is as good as a merderous deed.

He said that Pak should not be incriminated in any case for her visit to Pyongyang on the first anniversary of the death of respected President Kim Il-sung as the visit is



a problem on ethics and morality which is apart from politics and system and a problem on reconciliation and unity of the nation.

The association will make all efforts for her immediate release, strongly opposing the anti-ethical, anti-reunification criminal act of the South Korean authorities and wage a more powerful struggle to achieve the country's reunification through confederacy in 90s, he said.

#### **Korean Women in Japan Open 23d Congress**

SK2609015095 *Pyongyang KCNA in English*  
1524 GMT 25 Sep 95

[FBIS Transcribed Text] Tokyo, September 23 [date as received] (KNS-KCNA) — The 23d Congress of the Democratic Union of Korean Women in Japan was held in Tokyo on Sept. 22.

Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan, made congratulatory remarks at the congress.

Kim Il-sun, chairperson of the union, delivered the report to the congress of the union on the work of the Central Committee. The most valuable success performed by the union during the period under review, she said, was that the members of the union have had firm faith in remaining loyal to the leadership of respected General Kim Chong-il, holding the fatherly leader Generalissimo Kim Il-song in high esteem forever as the sun of chuche.

The Korean women of a new generation must become masters and make contributions to developing the movement of Koreans in Japan onto higher stage by renovating their organisations and activities, in response to "On Developing the Movement of Koreans in Japan Onto a New Higher Stage," a historic letter of General Kim Chong-il, she stressed, referring to their tasks.

She called for vigorously advancing forward with conviction of victory under the wise guidance of the great leader Marshal Kim Chong-il, holding the fatherly leader Generalissimo Kim Il-song in high esteem as the sun of chuche.

Kim Il-sun was reelected chairperson of the Democratic Union of Korean Women in Japan at the congress.

A letter to Marshal Kim Chong-il was read out at the congress.

#### **League of Korean Youth in Japan Holds Congress**

SK2309110895 *Pyongyang KCNA in English*  
1021 GMT 23 Sep 95

[FBIS Transcribed Text] Tokyo, September 21 [date as received] (KNS-KCNA) — The 17th congress of the League of Korean Youth in Japan [LKYJ] took place in Tokyo on September 20 and 21.

Ho Chong-man, chief vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan [Chongnyon], made a speech and then Pak Ku-ho, chairman of the League of Korean Youth in Japan, made a report under the title "On Developing the Movement of Korean Youth in Japan Onto a New Higher Stage as Required by a New Era".

The report elaborated on the tasks for thoroughly implementing the decision of the 17th congress of Chongnyon to set up the system to implement the idea and leadership of respected Marshal Kim Chong-il in the LKYJ organization and solidly build up the ranks of officials.

The report called for making all efforts to brilliantly carry forward the patriotic cause of Chongnyon under the banner of patriotism, unite all the Korean youth in Japan and achieve a great development in the movement of Korean youth in Japan. Hiroshi Hase, member of the House of Councillors from the Japan Liberal-Democratic Party, Kazumi Nishioki, president of the Council of Young Men's Association of Japan, and Masami Tanaka, secretary general of the Executive Committee for Realizing the Japanese Youth and Students' Festival of Peace and Friendship, were present as guests and hailed the congress.

Pak Ku-ho was reelected chairman of the LKYJ.

A letter to the great leader Marshal Kim Chong-il was read out at the congress.

#### **PRC Defense Minister Meets Military Group**

SK2309051295 *Pyongyang KCNA in English*  
0450 GMT 23 Sep 95

[FBIS Transcribed Text] Pyongyang, September 23 (KCNA) — "The revolutionary friendship between peoples and armies of China and Korea has been further consolidated and developed in depth under the guidance of the Communist Party of China with Comrade Jiang Zemin at the core and the Workers' Party of Korea headed by Comrade Kim Chong-il."

Chi Haotian, state councillor and minister of National Defence of China, stressed this on Thursday when he met with a delegation of logistical personnel of the Korean People's Army.

"The friendship between the two peoples was established by Comrade Mao Zedong, the great leader of the Chinese people, and Comrade Kim Il-song, the great leader of the Korean people," Chi noted, and said:

"Though the situation has changed the friendship forged between China and Korea is still developing. The revolutionary and traditional friendship established by Comrades Mao Zedong and Zhou Enlai and President Kim Il-song should be continued through generations. This is a very important thing."

The defence minister expressed the belief that the Korean people would overcome the difficulties cropping up in the way of their advance, winning one after another victory, closely rallied around Comrade Kim Chong-il, the great leader.

#### **Visitors Lay Flowers at Kim Il-song Statue**

*SK2309054295 Pyongyang KCNA in English  
0446 GMT 23 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 23 (KCNA) — A delegation of teachers of the Yuwen Middle School in Jilin, China, led by its Vice-Principal Zu Jishi called at the statue of the great leader President Kim Il-song on Mansu Hill on Friday.

The delegation laid bouquets and made a bow before the statue.

The head of the delegation said that though President Kim Il-song passed away his revolutionary feats associated with the Yuwen middle school will remain forever.

They would more carefully preserve the relics showing the revolutionary history of the president and keep him in their memory forever, he declared.

Earlier, on Thursday the first friendship visiting group of China headed by Su Baozong, vice-chairman of the Standing Committee of the Tianjin Municipal People's Congress, laid a floral basket and made a bow before the statue.

#### **Hydro-Meteorological Pact Signed With PRC**

*SK2509105795 Pyongyang KCNA in English  
1025 GMT 25 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 25 (KCNA) — An agreement on scientific and technological cooperation between the DPRK Hydro-Meteorological Service and the China Meteorological Administration was concluded here today.

It was signed by Deputy Director of the DPRK Hydro-Meteorological Service Kim Ho-il and Deputy Administrator of the China Meteorological Administration Ma Henian.

#### **Cuban Delegation Head Comments on Relations**

*SK2609014195 Pyongyang KCNA in English  
2200 GMT 25 Sep 95*

["Cuba Will Always Stand on Side of Korean People" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 25 (KCNA) — Jorge Lezcano Perez, Politburo member of the C.C. [Central Committee], the Communist Party of Cuba and chairman of the Foreign Affairs Committee of the National Assembly of People's Power of Cuba, in his impressions of Korea said that the friendly relations between the two countries forged by the great leader Comrade Kim Il-song together with Comrade Fidel Castro Ruz will be everlasting and consolidated in the struggle against imperialism, the common enemy.

The indestructible friendship between Korea and Cuba is further developing thanks to dear Comrade Kim Chong-il, he said, and went on:

We are convinced that the Korean people will successfully carry into effect the revolutionary idea of the great leader Comrade Kim Il-song under the wise leadership of the great Comrade Kim Chong-il. And we believe that the cause of the country's reunification and socialism will be accomplished without fail as desired by Comrade Kim Il-song.

Cuba will always stand firm on the side of the Korean people advancing under the banner of the country's reunification and socialism.

The friendly and cooperative relations between Korea and Cuba will further develop in all fields, he stressed.

#### **Cuban Legislative Delegation Departs Pyongyang**

*SK2509023895 Pyongyang Korean Central  
Broadcasting Network in Korean  
1300 GMT 23 Sep 95*

[FBIS Translated Text] A delegation of the National Assembly of People's Power of Cuba led by Jorge Lezcano Perez, member of the Political Bureau of the Central Committee of the Communist Party of Cuba and chairman of the Foreign Affairs Committee of the National Assembly, departed Pyongyang on 23 September.

#### **Malaysian Delegation Visits KPA Unit**

*SK2509021895 Pyongyang Korean Central  
Broadcasting Network in Korean  
1300 GMT 22 Sep 95*

[FBIS Translated Text] On 22 September, a Malaysian military delegation led by General Tansri Datuk Ismail

Bin Haji Omar, chief of the Malaysian Defense Forces, visited the unit of the Korean People's Army (KPA) to which Comrade Kim Sung-kyu belongs.

The delegation was accompanied by Choe Kwang, chief of the KPA General Staff, and KPA Colonel General Kim Chung-kak.

The guests watched a combat training by the unit's soldiers who have been prepared as one-a-match-for-100 fighters.

After the visit, the head of the delegation said the following before the soldiers: "Today, I was greatly touched by the excellent combat training conducted by the courageous soldiers of the People's Army. You have been thoroughly prepared to carry out your combat duty as soldiers. I firmly believe that you will achieve greater success in your future combat trainings."

Following this, the delegation inspected the Sohae Lockgate. The guests listened to the explanation of how the Sohae Lockgate was built as a great monumental creation under the party's wise leadership, and then looked down to gain an overall view of the lockgate.

After the inspection, the chief of the Malaysian Defense Forces said the Sohae Lockgate is truly a beautiful and grandiose creation. He then said: "Such a grandiose creation cannot be built without outstanding belief and will. I have come to know how strong the Korean people and the People's Army are just by seeing this lockgate. Thanks to the wise leadership of His Excellency Kim Chong-il, supreme commander of the KPA, the great monument has been brilliantly built in a short period time. As I had felt during my visit to Panmunjom, the Korean people and the People's Army have been able to stand up to the U.S. imperialists because they are so strong. I have never seen such a brilliant lockgate."

#### **Premier Greet New Prime Minister of Nepal**

SK2509110595 *Pyongyang KCNA in English*  
1020 GMT 25 Sep 95

[FBIS Transcribed Text] Pyongyang, September 25 (KCNA) — Premier of the Administration Council Kang Song-san sent a message of greetings to Sher Bahadur Deupa upon his inauguration as prime minister of the Kingdom of Nepal.

The message expressed the belief that the relations of friendship and cooperation between the two countries would grow stronger in accordance with the idea of independence, peace and friendship and wished him great success in the work for building democratic and prosperous Nepal.

#### **Students Quiz Game on Kim Il-song Held in Nepal** SK2609095295 *Pyongyang Korean Central Television Network in Korean* 1100 GMT 25 Sep 95

[FBIS Translated Text] The opening ceremony of quiz games among Nepalese national youths and high-school students pertaining to the great leader Comrade Kim Il-song and to Nepal-DPRK friendship was held in Katmandu on 15 September on the occasion of the 50th anniversary of the founding of the Workers Party of Korea. The ceremony was held under the joint auspices of the Nepalese national committee for recollection of the great leader Comrade Kim Il-song and of THE INTERNATIONAL ROSTRUM, a monthly magazine published in Nepal.

Attending the opening ceremony were officials from political, academic, and press quarters; including the speaker of the upper house in the Nepalese Parliament.

In addition, 60 youths and students from five colleges, that passed the preliminary contest among 16 colleges throughout the country, and from five high schools, that passed the preliminary contest among 20 high schools in the nation, attended the ceremony.

Speeches were made at the opening ceremony. A semifinal question-answer game followed. The final game is slated for 10 October.

#### **Chon Yon-ok at Event Marking Yemeni Revolution** SK2609055095 *Pyongyang KCNA in English* 0453 GMT 26 Sep 95

[FBIS Transcribed Text] Pyongyang, September 26 (KCNA) — A friendship gathering was held on Monday at the Korea-Yemen Friendship Pyongyang Anhak Senior Middle School on the day of the Yemeni revolution.

Invited to the gathering were Mohamed Ali Ahmed Al Khamry [name as received], charge d'affaires ad interim of the Yemeni Embassy here, and embassy officials.

Chon Yon-ok, vice-chairperson of the Korean Committee for Cultural Relations With Foreign Countries and vice-chairperson of the Korea-Yemen Friendship Association, officials concerned and teachers and students of the school were present there.

After going round the school, the guests saw an art performance given by art circle members of the school.

The participants conversed with each other in a friendly atmosphere.



**Venezuelan Communist Chief Receives WPK Group**  
*SK2509105595 Pyongyang KCNA in English*  
*1007 GMT 25 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 25 (KCNA) — Party and state leaders of different countries expressed support to the Korean people in accomplishing socialism.

Pedro Ortega Dias, president of the Central Committee of the Communist Party of Venezuela, said, when he met the delegation of the Workers' Party of Korea [WPK], the WPK is a great party which has led the Korean people to erect the tower of socialist success and a tested and veteran party which has rich experiences of struggle.

Anerood Jugnauth, Mauritian prime minister, when he met the Korean ambassador to Mauritius who paid a courtesy call on him on September 13, expressed the hope that the Korean people will achieve greater success in economic construction and in realising the country's reunification under the wise leadership of his excellency the great leader Kim Chong-il, a successor to the cause of his excellency the great leader President Kim Il-song.

Chitta Bash, general secretary of the Central Committee of the All-India Forward Bloc, said that the revolutionary spirit and bravery of the WPK and the Korean people, who won diplomatic victory in confrontation with the United States, give strength and encouragement to the communists and people of India.

The All-India Forward Bloc will actively support the WPK in its struggle to defend and advance socialism, he said.

**Indian Party Official Receives WPK Group**  
*SK2309041195 Pyongyang KCNA in English*  
*1510 GMT 22 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 22 (KCNA) — Personages of India have expressed full support for the Korean people's cause of national reunification.

B. Mohan, chairman of the People's Front of India, said in a statement on September 14 that as a result of the U.S. forces' occupation of South Korea, the Korean nation, who lived harmoniously in the same territory boasting of its long history, has been divided into the North and the South.

The United States, he held, should feel fully responsible for it and honestly implement the resolution on the Korean question adopted at the 30th session of the UN General Assembly.

Today when the cold war ended the United States must bring about a fundamental change in her policy towards Korea and promote the process of normalizing the relations with the Democratic People's Republic of Korea in keeping with the trend of the times, he said.

Sushil Kumar Shinde, general secretary of the Indian national Congress Party (I), said, when he met with a delegation of the Workers' Party of Korea on September 16, that Korea is fighting on the square against the United States. The result of the DPRK-U.S. talks is one more proof of the tested leadership and matchless grit of the great leader Comrade Kim Chong-il, he stressed.

Chita Vishwath, secretary general of the All-India Peace and Solidarity Organization, published a statement on September 13, in which he expressed full support for the proposal of founding the Democratic Confederal Republic of Koryo advanced by the great leader President Kim Il-song, and urged the South Korean authorities and the United States to show an affirmative attitude toward it.

**Health Minister Meets Sri Lankan Prime Minister**  
*SK2509022695 Pyongyang Korean Central*  
*Broadcasting Network in Korean*  
*1300 GMT 22 Sep 95*

[FBIS Translated Text] On 19 September, Sirimavo Bandaranaike, Sri Lankan prime minister as well as chairman of the Liberal Party, received Kim Su-hak, minister of public health, who is heading our country's delegation to the 13th meeting of public health ministers of the South East Asia sponsored by the World Health Organization.

In the meeting, the head of the delegation conveyed greetings from the great leader [yongdoja] Comrade Kim Chong-il to Prime Minister Sirimavo Bandaranaike. The prime minister expressed deep gratitude for this and asked the head of the delegation to convey his heartfelt greetings to the great leader [yongdoja] Comrade Kim Chong-il.

The prime minister said he has always respected and admired the great leader His Excellency Kim Il-song. He said the brilliant bilateral relations of cooperation and friendship will further develop and be consolidated in the future.

**Daily Urges Imitation of Kim Chong-il's Traits**

SK2309041795 *Pyongyang KCNA in English*  
2206 GMT 22 Sep 95

["NODONG SINMUN Calls for Following Comrade Kim Chong-il's Leadership Traits" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 22 (KCNA) — NODONG SINMUN today carries an editorial titled "Let Us Follow Leadership Traits of Respected Comrade Kim Chong-il."

The editorial says:

Following his great leadership traits has become an unanimous aspiration of the whole party, all the army and the entire people and a noble trend prevailing in our society. This can be seen only in our country where the leader and the people are in perfect harmony, united in the same thought, purpose and feelings and based on morality, obligation.

The leadership traits of Comrade Kim Chong-il, who is respected by the people as an outstanding, able leader, are a supreme model of the revolutionary and popular traits.

He, who has inherited the great leadership ability from the great leader Comrade Kim Il-song, has set an immortal example of revolutionary leadership over the past 30 odd years of the arduous yet glorious course of leading the Workers' Party of Korea.

His leadership ability, characterized by an iron will, indomitable faith, absolute trust in and love for the people and extraordinary organization and sweep, is the source of the heyday we are greeting in the Workers' Party era.

The greatness of his leadership traits has been fully manifested in the days when, after the death of Comrade Kim Il-song, he guided the struggle for continuing the historical advance of the Korean revolution through generations.

In leading the revolution and construction Comrade Kim Chong-il has always shaped policies, mixing himself with the people and collecting their opinion with Comrade Kim Il-song's idea of "Believing in the people as in heaven" as his motto, and carried out vast tasks by bringing their revolutionary zeal and creativity into full play.

The extraordinary organization with which he moves the whole party, all the army and the entire people as one and the amazing sweep with which he fulfills whatever vast tasks on the highest level as soon as possible are leadership traits peculiar to Comrade Kim Chong-il, a great, able leader.

The great leader Comrade Kim Chong-il always works out correct strategies in time and encourage all the party members and other peoples to attain the same goal, having at his fingers' end all the issues arising in the building of the party, power and army, economic and cultural construction, foreign affairs and other fields of revolution and construction.

It has become a habit in our society to work, following the example of leadership shown by him. We must further beautify the splendid appearance of our society.

**Kim Chong-il Sends Birthday Table to No Yong-sik**

SK2609055195 *Pyongyang KCNA in English*  
0450 GMT 26 Sep 95

[FBIS Transcribed Text] Pyongyang, September 26 (KCNA) — The great leader Comrade Kim Chong-il sent a birthday table to No Yong-sik, who lives in Uyong-ri, Sinchon County, South Hwanghae Province, on her 108th birthday.

Born into the family of a day laborer in Sinchon County, South Hwanghae Province, in 1887, she was subjected to maltreatment and humiliation till the liberation of the country when she began to live a worthy life as a dignified member of the nation.

Comrade Kim Chong-il, who rejoices over the people's longevity in good health, congratulates the macrobians on their birthdays and sends them birthday tables.

**Choe Kwang Attends Aviation Anniversary Meeting**

SK2309060795 *Pyongyang KCNA in English*  
0458 GMT 23 Sep 95

[FBIS Transcribed Text] Pyongyang, September 23 (KCNA) — The DPRK General Civil Aviation Administration observed the 40th anniversary of its foundation.

The great leader President Kim Il-song founded the civil aviation administration on September 21, 1955.

The aviators and other workers of the administration flawlessly ensured, with the sense of responsibility, hundreds of flights for external activities of the great leader and our party and ceremonies for receiving foreign party and state leaders at the airport.

They have opened regular lines with many countries and actively developed the air transportation and thus carried a lot of guests and freight in and out of the country in time and made a great contribution to developing the national economy.

A meeting was held at the General Civil Aviation Administration on September 21 to celebrate its 40th birth anniversary.

Choe Kwang, Politburo member of the Central Committee of the Workers' Party of Korea [WPK], member of the Central Military Commission of the WPK and chief of the general staff of the Korean People's Army, read the congratulatory message of the Central Military Commission of the WPK to the workers of the General Civil Aviation Administration.

A letter of pledge to the respected supreme commander Comrade Kim Chong-il was adopted at the meeting.

#### **Yang Hyong-sop Speaks at Yi Chin-kyu's Service**

*SK2609015695 Pyongyang KCNA in English  
2233 GMT 25 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 25 (KCNA) — A memorial service for the late Yi Chin-kyu, deputy to the Supreme People's Assembly (SPA) of the Democratic People's Republic of Korea and first vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), took place at the People's Palace of Culture here today.

A wreath sent by the great leader Comrade Kim Chong-il was placed before a black-ribboned picture of the deceased.

Also seen there were wreaths sent by the Central Committee [C.C.] of the Workers' Party of Korea [WPK], the Central People's Committee and the Administration Council [AC] of the DPRK, commissions and ministries of the AC, central state organs and other political parties and social organizations.

Present at the memorial service were Pak Song-chol, member of the Political Bureau of the C.C., WPK and vice-president, and other senior party and state officials, the family of the deceased and working people in the city.

Chongnyon delegations and visiting groups staying in the socialist homeland were also on hand.

The participants observed a moment of silence in memory of Yi Chin-kyu.

The memorial service was addressed by Yang Hyong-sop, alternate member of the Political Bureau of the C.C., WPK and chairman of the SPA.

Yang Hyong-sop said:

Yi Chin-kyu's life was the brilliant life of a loyal subject and true patriot. He remained faithful to the great leader Comrade Kim Il-song and the great leader Comrade Kim Chong-il, with an absolute worship for them. He kept to the patriotic road for the motherland and the nation, braving all difficulties and trials with the chuche revolutionary faith.

After participating in the national memorial service to mark the first anniversary of the president, Yi Chin-kyu went back to Japan and, sick as he was, energetically guided the preparations for the 17th congress of Chongnyon, determined to implement the tasks set out in the letter of respected General Kim Chong-il on the 40th anniversary of Chongnyon and bring about a new advance in the movement of Koreans in Japan, true to the behests of the president, before he fell.

Through his patriotic activities for more than 50 years, Yi Chin-kyu greatly contributed to making Chongnyon and the movement of Koreans in Japan a pioneer of patriotism, paragon of patriotism and loyalty and model of the movement of overseas nationals in the world and to promoting the cause of national reunification and the chuche revolutionary cause.

Yi Chin-kyu was a chuche-type patriot and loyalist, an elder of the movement of Koreans in Japan, a resolute veteran revolutionary and a true son of the motherland, who invariably followed the path of loyalty and patriotism with a steadfast outlook on the leader, the motherland and life.

Although he passed away, he remains alive under the benevolent care of the respected general.

#### **Choe Tae-pok Hosts Banquet for Palestinian Group**

*SK2609061395 Pyongyang KCNA in English  
0516 GMT 26 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 26 (KCNA) — The Central Committee [C.C.] of the Workers' Party of Korea [WPK] gave a banquet for the visiting delegation of the Palestine Liberation Democratic Front (PLDF) on Sept. 25.

Addressing the banquet Choe Tae-pok, alternate member of the Political Bureau and secretary of the C.C., the WPK, said that the PLDF has made a great success through its ceaseless struggle to regain the national rights of the Palestinian people under the banner of anti-imperialism and independence since its formation, and added:

It is the behests of the great leader Comrade Kim Il-song and the WPK's firm will to support the Palestinian people's cause of liberation to the end and further strengthen the friendship and solidarity with them. We will exert all our efforts for friendship and solidarity with the Palestinian people in the future.

The head of the delegation Nayef Hawatmeh, secretary general of the PLDF, said in his speech that the PLDF and the WPK stand together in the common ideological front and in the ranks of struggle against U.S. imperialism and Zionism.



He offered warm internationalist congratulations to the WPK on its 50th anniversary and stressed that though the imperialists clamour about collapse of socialism, socialism, the desire of humankind, will be immortal.

He expressed the belief that the WPK under the wise guidance of the great Comrade Kim Chong-il will shatter the manoeuvres of the imperialists and win great victory in the construction of socialism without fail.

**Cadres Visit Kim Chong-suk Statue 22 Sep**

*SK2509065195 Pyongyang Korean Central Television Network in Korean 1100 GMT 22 Sep 95*

[FBIS Translated Text] Party and government cadres, working people, and the People's Army soldiers visited Taesongsan Revolutionary Martyrs Cemetery to lay wreaths before the Kim Chong-suk statue this morning on the occasion of the 46th anniversary of the death of Comrade Kim Chong-suk, an indomitable communist revolutionary fighter.

A wreath sent by Comrade Kim Chong-il, the great leader of our party and people, was placed before the statue. An honor guard of the Korean People's Army [KPA] was standing in line beside the statue.

After the national anthem was played, wreaths in the names of the Workers Party of Korea Central Committee, the DPRK Central People's Committee, and the Administration Council were laid there while the wreath laying music was played.

Next, laid before the statue were wreaths and floral baskets in the joint names of all anti-Japanese revolutionary fighters; delegations and visiting groups of the General Association of Korean Residents in Japan; the Ministry of People's Armed Forces; the Ministry of Public Security; KPA units; committees, departments, and working organizations under the Administration Council; central organizations; educational, cultural, art, and publishing organizations; and party and government organizations, administrative and economic organizations, and working organizations in Pyongyang.

The participants of the wreath laying ceremony paid a silent tribute, recollecting the brilliant life and immortal revolutionary achievements of Comrade Kim Chong-suk, an indomitable communist revolutionary fighter and anti-Japanese heroine, who devoted all her life to the sacred cause for the fatherland's liberation and the people's freedom and happiness.

**People Volunteer To 'Advance' to Farms**

*SK2509102895*

[FBIS Editorial Report] The following is a compilation of news reports from Pyongyang Korean Central

Broadcasting Network in Korean and Pyongyang Korean Central Television Network in Korean from 19 to 24 September on those who volunteered to work at a coal mine and socialist farms.

At 1100 GMT on 19 September, Pyongyang Korean Central Broadcasting Network in Korean carries a brief report on those who have volunteered to advance into rural areas. The radio says that "at a time when party members, working people, and youths of new generation throughout the country who had sincerely worked at their assigned revolutionary posts with infinite loyalty to the party and the leader [suryong] are continuously advancing into difficult and arduous posts of socialist construction. Comrades Yang Song-kil, O Song-kuk, An Yong-sam, Cho Kyong-sik, and [name indistinct], workers at the General Management Bureau of Taesongsan Resort, volunteered to advance into rural areas and a coal mine recently." It also reports that "Comrade Pak Kun-su, a worker at Pyongyang Film Processing Laboratory, and his family also volunteered to advance into (Haenmulli), Changyon County, South Hwanghae Province recently."

At 1100 GMT on 21 September, Pyongyang Korean Central Television Network in Korean carries a brief report on a meeting held to deliver Kim Chong-il's letter of thanks to county public security officers who have volunteered to advance into socialist farms. The television reports on these three public security officers, saying: "A meeting was held on the spot to deliver the letters of thanks from Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, to Yu Kwang-on, Pak Tae-il, and Kim Myong-ho, public security officers at the Kaechon County Public Security Office, who have volunteered to advance into socialist farms by upholding the agriculture-first policy of our party. The letters of thanks from the great leader Comrade Kim Chong-il were delivered amid participants' enthusiastic applause."

Pyongyang Korean Central Television also carries a brief report on the chairman of the League of Socialist Working Youth of Korea (LSWYK) at a plant who are advancing into a socialist farm. The television says that "Comrade Kim In-ho, chairman of the LSWYK committee of the Comrade Cho Su-chon plant of a Korean People's Army unit to which Comrade Yim Chun-mok belongs, volunteered to advance into Hoechang County, South Pyongan Province. The great leader Comrade Kim Chong-il sent a letter of thanks to him, highly appreciating his beautiful deed of volunteering to advance into a socialist farm by upholding the party's agriculture-first policy."

At 1100 GMT on 24 September, Pyongyang Korean Central Television Network in Korean carries a brief

report on the people who are volunteering to advance into farms. The television says that "Comrade Kwon O-kyong, manager of the Landscaping Station of Taedonggang-district [in Pyongyang], and Comrade Kim Hwa-yon, manager of the unit where Comrade O Se-nam works, have volunteered to advance into socialist farms. The Great leader Comrade Kim Chong-il bestowed upon them the great benevolence of sending letters of thanks to them."

#### **Relay Race Groups Leave for Pyongyang**

*SK2409101695 Pyongyang KCNA in English  
0811 GMT 24 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 24 (KCNA) — Relay race groups continue to leave different parts of the country for the revolutionary capital city of Pyongyang to convey letters of loyalty to the great leader Comrade Kim Chong-il to mark the 50th anniversary of the Workers' Party of Korea.

The group of Kaesong citizens started for Pyongyang with the flags bearing portraits of the great leader President Kim Il-song and Comrade Kim Chong-il in the van on Sept. 21.

The group of South Hwanghae Provincial people, which started on Sept. 16, is on its way to Pyongyang.

Meanwhile, the groups of Yanggang, North Hamgyong and Kangwon Provincial people, which left the Mt. Paektu secret camp and Hoeryong, historic revolutionary sites, and Kosong, transferred their letters to the groups of Chagang, South Hamgyong and North Hwanghae Provincial people.

The relay race groups are running toward Pyongyang with the firm faith to demonstrate the dignity of their country and motherland all over the world and hold Comrade Kim Chong-il in high esteem.

#### **Nungrado General Bureau Increases Export Output**

*SK2509095095 Pyongyang Korean Central  
Broadcasting Network in Korean  
2200 GMT 23 Sep 95*

[FBIS Translated Text] The party members and working class of the Nungrado General Bureau, who have risen up with lofty enthusiasm to greet the 50th anniversary of the founding of the Workers Party of Korea [WPK] with brilliant labor results, are achieving great results in producing export goods and in trade activities.

In an interview by station reporter Kim Sung-kon, Comrade Kim Kyong-to, director of the Nungrado General Bureau, stated:

[Begin Kim Kyong-to recording] As the 50th party founding anniversary is drawing near, the party mem-

bers and working class of the Nungrado General Bureau are effecting innovation everyday in producing export goods and in trade activities with their exalted spirit, as they did in the past. The Nungrado General Bureau has been maintaining a high and steady rate of production of export goods by tenaciously carrying out an organization work for production and [word indistinct] coordination work, in accordance with our workers' enthusiasm to greet the 50th party founding anniversary with great labor results. As a result, [passage indistinct], and the Kangnam Export Goods Plant has achieved the proud result of overfulfilling its [words indistinct] target at 224 percent. The Nungrado Export Garment Plant and Aeguk [word indistinct] Garment Plant have overfulfilled their targets of producing export items at 100.4 percent or over, respectively, by greatly displaying the revolutionary spirit of self-reliance and fortitude. Besides, all production units under the general bureau are achieving great results in producing export goods and in trade activities, upholding our party's policy for multilateral and diversified trade. We will further strengthen all export goods production bases under the general bureau to achieve greater results in producing export goods and in trade activities, so that we will greet the forthcoming 50th anniversary of the founding of the WPK with brilliant labor results. [end recording]

#### **South Korea**

##### **U.S., North Agree on Mutual Consular Protection**

*SK2609000195 Seoul CHOSON ILBO in Korean  
26 Sep 95 p 1*

[By reporter Song Ui-tal]

[FBIS Translated Text] The Foreign Ministry revealed on 25 September that the United States and North Korea will grant temporary consular protection power to each other until they exchange and open liaison offices.

A Foreign Ministry official said: "This was agreed upon between the United States and North Korea after working-level negotiations were held from early this year in accordance with the U.S. side's request that it is necessary to take temporary consular protection measures regarding Americans travelling in North Korea before the liaison offices are opened."

Sweden will exercise consular protection power for Americans travelling in North Korea in place of the United States, and the North Korean mission to the United Nations will exercise consular protection power for North Koreans travelling in the United States.

However, the Foreign Ministry revealed: "This measure does not mean the establishment of consular relations between the two sides. It is only to temporarily exercise consular protection power which both sides will exercise after liaison offices are opened. The temporary consular

protector does not have the right to issue passports and visas, but will have the power to protect the traveler's personal safety and take prompt measures when an accident occurs."

**U.S. Rejects South Request To Annul Missile Ban**

*SK2609020895 Seoul THE KOREA TIMES in English*  
*26 Sep 95 pp 1, 2*

[Report by staff reporter Son Ki-yong]

[FBIS Transcribed Text] The United States has turned down South Korea's request to scrap a bilateral agreement which bans Seoul from developing long-range missiles, thus erecting a hurdle to its bid to improve missile capabilities and space technologies, the Defense Ministry said yesterday in answer to a lawmaker's query.

In the annual inspection of the administration by the National Assembly which started at 27 government branches yesterday, the ministry said in answer to Rep. Pae Myong-kuk's questionnaire that the ministry called on Washington twice in June to scrap the agreement, only to be rejected.

The agreement, signed in 1979 between Korean Defense Minister No Chae-hyon and John Wickham, commander of the U.S. Forces Korea, prevents South Korea from developing missiles with a range of more than 180 kilometers.

The agreement not only prevents Korea from launching its own research aimed at developing long-range missiles but also hampers it from acquiring missile parts from a third country.

Originally, the agreement was signed to pave the way for Korea to secure the transfer of U.S. missiles technologies before developing its own missile systems. However, Seoul feels the necessity to repeal the agreement, now that North Korea already possesses Nodong missiles with ranges of 1,000 kilometers and the government is also keen to improving space technologies.

Rep. Pae said that Seoul will have to immediately repeal the agreement and join the Missile Technology Control Regime (MTCR), a body of 25 countries which seeks to control the spread of missiles with ranges of more than 300 kilometers and promote exchange of missile-related technologies among members.

The ministry also expressed willingness to join the MTCR first and then scrap the agreement with Washington if the United States continue to reject its demand.

Meanwhile, lawmakers strongly rebuked officials of the Ministry of National Unification for allegedly failing to

prepare documents requested by them on the pretext that they are "secret" or "classified."

Rep. Yi Chong-char of the opposition National Congress for New Politics alleged in an inspection of the ministry by the National Assembly Unification-Foreign Affairs Committee that the ministry had escalated the people's suspicions on government policies dealing with the North Korean nuclear issues and rice aid by refusing to reveal relevant information and documents.

"Because of the government's secret dealings, Korea runs the risk of shouldering heavy financial burdens in the project to supply nuclear reactors to North Korea," Yi said.

However, Choe Tong-chin, commissioner of the Office of the Light-Water Reactor Planning, said, "It is improper to publicize such documents because diplomatic bargaining needs to be classified and our negotiations with Pyongyang will resume later this month."

Rep. Nam-Kung Chin noted that the ministry had violated laws regarding the Assembly inspection by refusing to offer information to lawmakers.

"If the administration decides not to answer lawmakers' questions out of concerns that they might be related to national security, it will have to notify the Assembly of its decision five days before the inspection. However, we received no notices from the ministry in relation to this," Rep. Nam-Kung said.

As the lawmakers disputed the status of a "security coordination meeting" and the unification-related Cabinet members' meeting, Deputy Premier-National Unification Minister Na Ung-pae said that the ministry will seek to revise relevant laws to reduce the number of participating Cabinet members to ensure effective operation of unification-related Cabinet members' meetings.

The coordination meeting is an "unlawful" body while the unification-related Cabinet is a legal body in which more than 10 Cabinet members take part.

**Contributions to USFK 'Greatly Increasing'**

*SK2609083695 Seoul YONHAP in English*  
*0735 GMT 26 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 26 (YONHAP) - South Korea's contributions toward maintaining United States Forces in Korea (USFK) has been greatly increasing in recent years, with its burden doubling to 300 million U.S. dollars this year from 150 million dollars recorded in 1991, the Ministry of Economy and Finance said on Tuesday.



The country has contributed 180 million dollars to USFK in 1992, 220 million dollars in 1993 and 260 million dollars in 1994, an official at the ministry said.

The payments have been made in accordance with special measures relating to Article 5 of the Status of Forces Agreement (SOFA) signed between South Korea and the United States at the 23rd Security Consultative Meeting (SCM) held in Seoul on Jan. 15, 1991, the official explained.

According to the special measures, South Korea was responsible for determining the actual amount it needed to contribute each fiscal year, gradually increasing its payments by 1995 to one third of the won-based costs (WBC) of maintaining USFK. It was also required to promptly notify the United States of its determination once it was made, he explained.

This year, South Korea has already paid 32.2 percent of the total WBC, the official noted.

As the special agreement expires this year, the two countries are expected to work out a new accord at an annual SCM slated for November, the official added.

#### **U.S. Urged To Clarify North Nuclear Actions**

*SK2609090095 Seoul KYONGHYANG SINMUN in Korean 26 Sep 95 p 3*

[Editorial: "North Korea's Past Nuclear Activities Must Be Cleared Up"]

[FBIS Translated Text] It is regrettable that the United States has come into conflict with the International Atomic Energy Agency [IAEA], as well as our country, by assuming a lukewarm attitude in clearing up North Korea's past nuclear activities.

IAEA nuclear experts, who arrived in North Korea on 12 September, attempted in vain to measure plutonium from the used nuclear fuel rods in a water tank to find out North Korea's past nuclear activities due to North Korea's opposition and the U.S. lukewarm attitude. North Korea's past nuclear activities are pivotal to resolving its nuclear issue since they are an important material that tells whether or not North Korea possesses nuclear material or nuclear weapons.

Nonetheless, being aware of North Korea's strong opposition to the measurement of plutonium, the U.S. side proposed to the IAEA that the used nuclear fuel rods be first kept in sealed containers and reopened four or five years later when they are necessary for the special inspection on undeclared facilities. However, experts insist that the U.S. proposal is technically impossible. They hold that it is tantamount to virtually giving up the attempt to clarify North Korea's past

nuclear activities. If their assertion is true, a huge hole will be opened in the resolution of the North Korean nuclear issue, and it is a grave matter that threatens the purpose of the provision of light-water reactors to North Korea.

When the United States and North Korea reached an agreement in Geneva last October, some pointed out that the issue of clarifying North Korea's past nuclear activities was not fully taken up. It is true that the Geneva agreement only focused on the present and future nuclear activities, such as the freeze and dismantlement of North Korea's graphite-moderated reactors. However, even if the matter of clarifying its past nuclear activities is not stipulated in the agreement, the agreement surely contains the basis on which North Korea's past nuclear activities can be cleared up. The agreement makes reference to this issue by saying, "...with regard to verifying the accuracy and completeness of the DPRK's initial report on all nuclear material in North Korea — including taking all steps that may be deemed necessary by the IAEA."

In view of this, the U.S. side's lukewarm attitude toward the clarification of North Korea's past nuclear activities implies a retreat from its former stance that was assumed at the time the Geneva agreement was signed. This does not only disagree with its basic stance of pursuing the denuclearization on the Korean peninsula but also will bring about the result of questioning its willingness to resolve the North Korean nuclear issue.

The United States should realize that many ROK people are dissatisfied with the ROK side's overburdened share of the expenses and hold the view that the United States is assuming an excessively- lukewarm attitude toward North Korea.

#### **U.S. Urged To Abolish Restriction on Missiles**

*SK2609103495 Seoul HANGUK ILBO in Korean 26 Sep 95 p 3*

[Editorial: "Restrictions on Domestic-Produced ROK Missiles Should Be Lifted"]

[FBIS Translated Text] Modern warfare is missile war. We may say that the fighting power with missiles will practically decide victory or defeat in a war. This was clearly proven during the Gulf war. This notwithstanding, the ROK Armed Forces have been continually placed under systematic restrictions on the development of the vital missile fighting power because of "the 1979 ROK-U.S. Memorandum." This is a serious negative factor in the ROK's self- defense capabilities efforts.

According to data concerning "the ROK-U.S. memorandum on missiles" submitted to Assemblyman Pae Myong-kuk, (National Defense Committee), on 25 September by the Ministry of National Defense [MND], the range of missiles developed and produced by the ROK at home is not supposed to exceed 180 kilometers.

This restriction has been valid as an agreement with legal binding force between the ROK and the United States since October 1979 when No Chae-hyon, then ROK defense minister, and General Wickham, then commander of U.S. Forces in Korea, exchanged the memorandum. Following this, in August 1990, the MND endorsed that the ROK would observe the limit on developing missiles within the range of 180 kilometers and within the weight of 500 kilograms, and it would consult with the United States in the event that the ROK exceeded this limit.

It was learned that our acceptance of such limit in missile development was attributed to the U.S. support of our ROK-model missile development plan, which was pushed ahead from October 1979, by means of technology and parts. It appears that the ROK, impatient with immediate missile development at the time, accepted without hesitation the conditional cooperation plan put forward by the United States based on its farsighted point of view. What makes this issue even more serious is that with this memorandum and endorsement for the ROK is that the memorandum, in fact, bans not only the introduction of foreign technology and parts but also civilian space development activities.

It has been learned that the MND and the Foreign Ministry held negotiations with the U.S. side for the abolition of the memorandum in question. However, there has been no progress up to date. It is the U.S. position toward the ROK troop reinforcement to restrict the ROK's military power and weaponry system to totally defense-oriented ones. This being the case, the measure for restricting missile development can be regarded as part of such position. It is also likely that the United States is attempting to make up for the weakness in the ROK's missile fighting power with its own missile war power.

However, under the circumstances in which the missile war power of our neighboring countries, including China and Japan, not to mention North Korea, has been drastically strengthened, the fact that the ROK is continuously remaining as a backward country in terms of missile war power as it is now cannot but be a decisive defect in its security strategy. In particular, North Korea, which has not discarded its strategy for unification through communization of South Korea, has

already carried to accomplishment the medium-range missile system ranging from 1,000 to 1,500 kilometers, and is presently developing Nodong Nos. 1 and 2 long-range missiles with the range of 2,000 km and 3,500 km, respectively.

The United States should either abolish or ease the missile restrictions on the ROK in view of the change in the situation of the times. Meanwhile, we should also seek to abolish the ROK-U.S. missile memorandum, and should push ahead, if possible, with participation in the missile technological control system, which limits the range to within 300 km.

#### U.S. Citrus Said To Carry Harmful Insects

SK2509121195 Seoul HANGYORE SINMUN  
in Korean 25 Sep 95 p 1

[By reporter Paek Ki-chol]

[FBIS Translated Text] Among the 72 million kilograms of citrus fruits imported since 1989, inspection through random sampling has been conducted to determine how much damage has been done by blight and harmful insects. As a result, it has been discovered that about one million kilograms of citrus fruits have been polluted by blight and harmful insects. It has been pointed out that establishing a quarantine system regarding imported agricultural products is urgent.

According to materials made public on 24 September by lawmaker Kim Tae-sik of the National Congress for New Politics (NCNP) of the National Assembly's Agriculture, Forestry, and Fishery Committee on the "Results of Inspection of U.S. Citrus Fruits" by the Ministry of Agriculture, Forestry, and Fisheries, as a result of inspection through random sampling of U.S. citrus fruits imported since 1989, 870,000 kg of grapefruit; 59,000 kg of lemons; and 82,000 kg of oranges were exposed to blight and harmful insects.

In this report, the Ministry of Agriculture, Forestry, and Fisheries carried out inspections to determine whether blight and harmful insects exist among the 5 million kilograms of grapefruit imported this year. The inspections used the pyrostat cultivation inspection method, which is a kind of random sampling technique. As a result of the inspections, blight and harmful insects were discovered in 289,000 kg of grapefruit.

This report, which was drawn up by the Ministry of Agriculture, Forestry, and Fisheries in June, stated that none of the inspection conditions for U.S. agricultural products agreed upon between the two countries in March 1987 — on-the-spot investigation in the United States by an ROK inspector, notification of the ROK after preliminary inspection, and verification that the

citrus fruits were raised in a region free from blight and harmful insects — were carried out. The report thus recognizes that there are problems in the quarantine system.

The report also pointed out that safety measures such as fumigation treatment, low temperature treatment, and selecting a safe region — which we have consistently requested the U.S. side implement for Florida-produced citrus fruits — have not been carried out at all since 1990. The report added that Japan and Australia import Florida-produced citrus fruits only when low temperature treatment (storing the fruits for 14-24 days at 0.6-2 degrees) is conducted and when the fruit is produced in regions free of blight and harmful insects.

This report pointed out that on-the-spot investigation in the United States by an ROK inspector, which was agreed upon in 1987, was suspended from 1991 to 1994, and that there is no requirement in the ROK's law on quarantine of plants that an evaluation of the danger of blight and harmful insects must be carried out before the products are imported.

In this connection, lawmaker Kim said: "Allowing clearance first and then afterwards taking quarantine measures on U.S. agricultural products is almost the same as giving up quarantine. We must seek appropriate measures if the United States continues to ignore our demand for safety measures concerning quarantining."

#### Ministry Submits Data on U.S. Soldiers' Crime

SK2609023795 *Seou' THE KOREA TIMES in English*  
26 Sep 95 p 3

[FBIS Transcribed Text] Less than 10 percent of suspected crimes by U.S. soldiers stationed in South Korea have been under trial by the country's courts over the last 12 months.

A total of 881 American soldiers stationed here committed crimes, including robbery and rape, but only 51 of them stood under trial at local courts, according to information provided by the Justice Ministry yesterday.

The "humble" figure of trials pointed out that the status of forces agreement (SOFA) between South Korea and the U.S. is required to be urgently revised.

The ministry data was submitted to the National Assembly at the request of Rep. Cho Hong-kyu from the opposition National Congress for New Politics.

#### U.S. Objections Delay AFKN Transfer

SK2409011195 *Seoul THE KOREA TIMES in English*  
24 Sep 95 p 3

[FBIS Transcribed Text] The transfer of AFKN (American Forces Korean Network) Channel 2 to South Korea, scheduled for this month, was delayed again to next year, as the United States Forces Korea (USFK) took issue with the new broadcasting system provided by the Korean government for the American military network.

According to the Information and Telecommunication Ministry report to the National Assembly yesterday, USFK is still refusing to hand over the Channel 2, citing a problem in stereo sound system for the new channel.

The VHF (very high frequency) Channel 2 for the Seoul area was supposed to move to UHF (ultra high frequency) Channel 34.

"The USFK side is newly insisting on change of the Korean standard stereo system to the American standard, even after giving official approval in April for all specifics of the new broadcasting system," said Pak Yong-il, director of Radio Administration Bureau of the ministry.

Elaborating the report, Pak said that negotiations over technical issues has made no substantial progress since June, and the USFK is also delaying taking other steps necessary for the channel transfer, Pak said.

Even if the negotiation over the stereo issue settles by next month at the earliest, it will be impossible for South Korea to retrieve Channel 2 this year, as the trial operation of the new channel will take more than 90 days, he said.

Originally, the AFKN channel transfer was scheduled for 1992, but has been delayed due to differences over various technical hitches.

To take over the channel which has served the U.S. forces stationed here for 38 years, the ministry set up a new transmission system at Mt. Namsan for AFKN at a cost of 2.16 billion won (some 2.7 million dollars), which was financed solely by the Korean government.

AFKN, broadcasted in Pusan, Taegu, Hoedok and Chinhac, will continue to be available on the VHF channel, but will move onto UHF in nine districts, including Tongduchon and Uijongbu, he said.

Broadcasting AFKN on UHF will much improve the picture quality, as it is aired on a "higher" level of frequency, the official said.

The use of the retrieved Channel 2 will be strictly confined to military communications, the ministry official added.



**Report on U.S.-DPRK Pyongyang Meeting**  
*SK2309040495 Seoul YONHAP in English*  
*0126 GMT 23 Sep 95*

[FBIS Transcribed Text] Washington, Sept. 22 (YONHAP) — North Korea and the United States will wrestle with pending issues related to the opening of liaison offices in Pyongyang and Washington Sept. 23-30 in the communist country's capital.

At the meetings, a U.S. delegation led by Jeffrey Goldstein, a North Korea desk officer at the U.S. State Department, will reportedly focus on such issues as using the former East German Embassy building as a possible site for the North's new office as well as communications issues, office security and other matters.

State Department officials said on Friday that pending technical questions regarding the establishment of the liaison offices will be addressed by Sept. 30, but refused to elaborate on the formation of the U.S. mission or other points of contention.

The U.S. team is reportedly hoping it can send various materials, paper and other goods to its Pyongyang office via the truce village of Panmunjom, but the North is hesitating to grant it that privilege.

Therefore, it is unclear whether all pending issues will be resolved at the upcoming Pyongyang talks.

Meanwhile, diplomatic sources here indicated the opening of the offices will not likely take place before next year, considering North Korea has yet to decide on a site in Washington and as several technical matters still remain unsettled.

**North To Establish Construction Firm With U.S.**  
*SK2509045095 Seoul KYONGHYANG SINMUN*  
*in Korean 25 Sep 95 p 2*

[Report by Sin Yong-su from Beijing]

[FBIS Translated Text] North Korea will establish "Najin-Sonbong Construction Company," a joint venture with a company run by a Korean-American to promote the development of the Najin-Sonbong free trade and economic zone.

It was confirmed on 24 September that the Economic Development General Corporation (President Hwang Chong-nam), a subsidiary of North Korea's Committee for the Promotion of External Economic Cooperation which is in charge of developing the Najin-Sonbong zone, signed on 21 September in Beijing "The Agreement on Establishing the Najin-Sonbong Construction Company" with the UK Trade Company (President Song Yu-sam) based in Hong Kong.

The two sides agreed to capitalize the company at \$5 million and to decide on the equity ratio later.

**Kim Chong-il Said To Assume Presidency 10 Oct**  
*SK2509152895 Seoul KBS-1 Radio Network*  
*in Korean 1500 GMT 25 Sep 95*

[Report by Yi Hyon-chu from the United Nations]

[FBIS Translated Text] According to a high-level diplomatic source in charge of Korean affairs at the United Nations, North Korea's Kim Chong-il will assume the presidency on 10 October, the founding anniversary of the Workers Party of Korea, and North Korea is currently preparing for the inauguration. The high-level source claims to have received various signals supporting this prediction.

Although the source did not reveal all the signals predicting Kim Chong-il's inauguration as president, the source pointed out that North Korean Foreign Minister Kim Yong-nam, who was scheduled to address the United Nations on 11 October, suddenly canceled his schedule last week and named Vice Foreign Minister Choe Su-hon to deliver the speech in his stead. The source said that Kim Chong-il's confidence in North Korean Foreign Minister Kim Yong-nam is proven by the fact that he delivered the eulogy at Kim Il-sung's funeral service last year, and that the sudden cancellation of the UN visit by such a key aide to Kim Chong-il is very significant.

**North Said To Refuse IAEA Demand**  
*SK2609010995 Seoul KBS-1 Radio Network*  
*in Korean 0004 GMT 26 Sep 95*

[Report by correspondent Cha Man-sun from Vienna]

[FBIS Translated Text] Hans Blix, secretary general of the International Atomic Energy Agency [IAEA], revealed that during technological negotiations that have resumed in Pyongyang with the International Atomic Energy Agency [IAEA], North Korea refused to allow measurement of plutonium levels for the 8,000 used nuclear fuel rods.

This was revealed when IAEA Secretary General Blix reported on the results of technological negotiations with North Korea during an extraordinary session of IAEA's Board of Governors held on 25 September. However, he stated that an agreement was reached with North Korea on measurement work to examine whether these nuclear fuel rods had been used or had been ignited.

North Korea also refused the IAEA's demand for measuring liquid wastes in the radio-chemical laboratory,

which is a reprocessing facility, and only allowed the photographing of its radio-chemical laboratory which has not been in operation since the end of last year.

#### **KEDO, North To Hold Working-Level Talks**

*SK2509235295 Seoul KBS-1 Radio Network in Korean 2330 GMT 25 Sep 95*

[FBIS Translated Text] The Korean Peninsula Energy Development Organization [KEDO] has announced that KEDO and North Korea will begin one-week working-level negotiations in New York on 30 September to discuss the provision of light-water reactors to North Korea. Following the KEDO-North Korea working-level negotiations, the United States and North Korea will hold high-level negotiations in New York on 16 October.

The scope of the provision of light-water reactors to North Korea and the limits of the provision of auxiliary facilities will be discussed during the working-level negotiations between KEDO and North Korea.

#### **More Businessmen Visit North in 1995**

*SK2409125095 Seoul TONG-A ILBO in Korean 24 Sep 95 p 2*

[FBIS Translated Text] Despite the stalemate in North-South relations, 79 people from 18 ROK business firms have visited North Korea this year, and thus businessmen's visit to North Korea has been brisker than last year. The only businessmen to visit North Korea last year were 12 members of the Ssangyong Group.

#### **Ministry Reports on Investment in North**

*SK2509064395 Seoul YONHAP in English 0153 GMT 25 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 25 (YONHAP) — A total of 149 foreign companies have begun operations in North Korea since the communist country introduced a joint venture law in 1984 to help attract foreign capital and technology.

This was revealed Sunday in a report submitted to the National Assembly by the National Unification Ministry for parliamentary inspection.

Japanese firms topped the list of foreign companies in the North with 131, followed by Chinese companies with six, Russian firms with five, Polish with two and one company from each Australia, Hong Kong, France and Denmark.

The only company invested by ethnic Koreans abroad was the Choson Water Company which produces Sindok Spring Water, according to the report.

Pyongyang has the largest number of foreign firms among all major cities in the North with 56. The Hamgyong Provincial cities of Hamhung, Chongjin and Wonsan have six, five and four companies, respectively, while there are two each in Nampo and Sariwon, two cities in western North Korea.

Meanwhile, only one foreign company is operating in the Najin- Sonbong free economy and trade zone and there are an additional 66 businesses whose locations are unknown, the report noted.

Most of the foreign businesses are involved in light industries and service divisions, such as clothing, restaurant, machinery, fishing, mineral, transportation, agricultural processing and trade-financing businesses.

#### **Report on Defectors From, Abductees to North**

*SK2309024895 Seoul YONHAP in English 0030 GMT 23 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 23 (YONHAP) — Since 1993 the total number of North Korean defectors who have sought asylum in South Korea number 70 as of the end of last August.

According to data submitted by the National Unification Ministry to the National Assembly for inspection, the figure breaks down by year to seven in 1993, 47 in 1994 and 16 in 1995. Of them, North Korean loggers who had previously stationed in Siberia numbered 22 in 1994 and 2 in 1995.

The motivation for their defections to the South were in the order of longing for freedom, disgust with the North Korean communist system, unhappiness with military life, the difficult way of life in the North and fear of persecution.

The defectors came to the South via the demilitarized zone or through third countries like Russia, China, Vietnam and other eastern European countries.

To help the North Korean defectors settle in the South, they are provided with a settlement fund, education or job training, medical insurance and they are given priority in house selection and job arrangements. These benefits are offered under the law governing the protection of North Korean defectors.

South Koreans forcefully abducted to the North since the liberation of the country from Japanese colonial rule in 1945 totaled 3,738, of whom 3,288 have returned home while 450 others are still being held in the North.

The biggest group of abductees were fishermen, who numbered 3,662, 51 were passengers and crew of a hijacked Korean airliner, 20 were abducted from a speed boat and five others were taken from third countries.

Meanwhile, the number [of] South Koreans, aged 35 or older, who were born in the North has been estimated at 417,632 as of November 1990.

**North Reportedly Seeks Use of Cambodian Farms**

SK2609091895 Seoul CHOSON ILBO in Korean  
26 Sep 95 p 7

[YONHAP from Bangkok]

[FBIS Translated Text] A business source stated on 25 September that, in a bid to solve serious food problems, North Korea has asked for Cambodia's permission to use rice paddies in Cambodia.

According to a source in Phnom Penh who travels frequently between Cambodia and Thailand, Song Hok-yong, North Korean ambassador to Cambodia, has recently asked the Cambodian Government to allow North Korea to use 2,000 ha rice paddies in Kandal Province, a southern central area of Cambodia.

With a plan to cultivate rubber trees in Cambodia to secure raw materials, North Korea also proposed that Cambodia allow North Korea to use 20,000 ha rubber farms in Latanakiri Province, Cambodia.

The source said Ambassador Song put forwarded the proposal during a meeting with Tao Seng Huor, Cambodian minister of agriculture, forestry, and fisheries. The source also said it has been learned that North Korea plans to send hundreds of technicians and workers to those Cambodian farms for rice farming and raising rubber trees there, to form a North Korean village in Cambodia, and to provide Cambodian farmers in the North Korean village with education on farming.

**North's Vice Foreign Minister To Address UN**

SK2609021995 Seoul YONHAP in English  
0205 GMT 26 Sep 95

[FBIS Transcribed Text] New York, Sept. 25 (YONHAP) — North Korea will not send Foreign Minister Kim Yong-nam to deliver its key-note address to the UN General Assembly session which opened Monday at its headquarters in New York, informed sources here said Monday.

Instead, the North will send Vice Foreign Minister Choe Su-hon as its key-note speaker to mark the international organization's 50th anniversary, the sources said.

Considering that Kim is a core component of the reclusive communist country's power structure, his absence from the 50th anniversary session of the world body appears to have something to do with de facto leader Kim Chong-il's possible formal ascension to power on the occasion of the Oct. 10 anniversary of the

Workers' (communist) Party of North Korea, a highly-placed diplomatic source here said Monday.

Vice Foreign Minister Choe, in lieu of Foreign Minister Kim, has been confirmed as North Korea's key-note speaker and this change appears to be related to some recent movement in Pyongyang's leadership, he remarked.

Foreign Minister Kim read a memorial address on behalf of Kim Chong-il when Kim Il-song died last year, and the foreign minister's absence from the UNSC [UN Security Council] where he was set to deliver a speech on Oct. 11 must have something to do with Kim Chong-il's power succession, he added.

Kim will also be absent from the summit meeting of non-aligned countries opening in Colombia on Oct. 19, which suggests that some important change may take place in the reclusive country's leadership, he observed.

But there is no definite evidence indicating Foreign Minister Kim's absence from the above-mentioned international meetings is related to Kim Chong-il's formal succession to power, he noted, adding Pyongyang's official position regarding the UN World Summit meeting commemorating its 50th anniversary has not yet been announced.

Even if Kim Chong-il takes office as president of North Korea, it is unlikely he would attend the UN World Summit, the diplomat opined, adding Vice President Kim Pyong-sik would probably attend it as he did the World Summit for Social Development held in Denmark last March.

**Delegation for North Talks Departs for Beijing**

SK2609024895 Seoul YONHAP in English  
0243 GMT 26 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 26 (YONHAP) — South Korea dispatched a seven-member delegation led by Yi Sok-chae, vice minister of finance and economy, to the third round of inter-Korean talks in Beijing on Tuesday.

The delegation is scheduled to meet with its North Korean counterpart on Wednesday in Beijing to discuss major pending issues including inter-Korean economic cooperation and the return of captured South Korean fishing trawler "86 Usong" and its crew.

A senior official said that if North Korea formally requests relief aid for its recent flood damage, South Korea would positively consider assisting Pyongyang.

Although Seoul does not intend to offer additional rice aid, it would consider the issue if North Korea were to



show a faithful attitude toward resolving other pending issues such as the return of the 86 woosung and its crew, the official added.

Meanwhile, Na Ung-pae, national unification minister, said to a parliamentary inspection team, "We basically plan to discuss inter-Korean economic cooperation at the third round of talks. But, before discussing the issue, we will strongly demand North Korea take positive steps on other pending issues like the 86 Usong matter."

An official said that South Korea will give more than 2 million U.S. dollars to the North if it shows a sincere attitude toward resolving these concerns at the upcoming talks. "And, we are not ruling out the possibility of supplying additional rice aid to the North."

#### **Further on North Briefing on Najin-Sonbong Zone**

SK2509145095 Seoul YONHAP in English  
1100 GMT 25 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 25 (YONHAP) — North Korea plans to create a "free economic cooperation zone" separate from the Najin-Sonbong area to offer foreign investors another favorable investment opportunity.

This was disclosed at a briefing North Korea gave in Beijing last Friday (22 September) and Saturday to explain about the investment conditions of the Najin-Sonbong special economic zone.

Reports filed from Beijing by South Korean businessmen who attended the briefing said the projected economic cooperation zone would comprise a free trade area, a manufacturing area and a banking area.

"The zone will introduce a competitive profit-pursuing system and will assure foreign investors of the right to free choice," the reports quoted Kim Chong-u, chairman of the Committee for Promoting External Economic Cooperation, as telling attendees.

The North Koreans said the Chongjin harbor near the Najin-Sonbong area has already been declared a free port, explaining Chongjin could be used for trip to the Najin-Sonbong special economic zone.

"Any person wishing to visit the economic zone via Chongjin would be issued an invitation if only we are notified of the visit plan at least five days ahead," a North Korean official said, adding that in which case an applicant would be allowed to enter Chongjin without visa.

To facilitate the inducement of foreign investors, he said, North Korea has newly enacted a total of 27 laws, many of whose provisions are to provide for universally generalized practices.

Asked if South Korean technicians can stay in the Najin-Sonbong area on a permanent basis, the North Korean official said "yes," explaining that there is no legal provisions prohibiting it.

The briefing said the special economic area is complete with satisfactory infrastructural facilities like railroads, roads, harbor, water supply and electricity. "We also have quality work force whose minimum wage is 160 North Korean won (90 U.S. dollars)," he said.

The official said that in the special economic area there are now about 50 plants in operation, of which 36 are readily available for joint venture with foreigners.

As to the conditions of employment, he said North Korean employees will be provided through a "labor arrangement agency." "You can fire employees if you wish and even can bring in foreign workers for employment here," the official said.

North Korea can lease lands in the Najin-Sonbong area to foreign investors for up to 50 years, which can be re-leased, inherited or granted, the official said, adding "We will also allow real estate dealers [to] develop lands in the zone for sale or lease."

#### **Foreign Minister Meets PRC's Qian Qichen**

SK2609030495 Seoul YONHAP in English  
0236 GMT 26 Sep 95

[FBIS Transcribed Text] New York, Sept. 25 (YONHAP) — China confirmed Monday that Pastor An Sung-un, reportedly kidnapped and taken to North Korea last June, crossed into North Korea at the China-North Korea border without a visa, South Korean Foreign Ministry Spokesman So Tae-won said.

Chinese Foreign Minister Qian Qichen delivered the results of China's investigation of the alleged kidnapping to his South Korean counterpart Kong No-myong when they met at the United Nations to discuss bilateral issues, So said.

While meeting with Qian, Kong asked for the Chinese Government to make every effort to realize an early settlement of the An case, according to the spokesman.

Kong also demanded that China exercise its influence over North Korea so the South Korean Government could confirm intentions of Pastor An in the alleged abduction case, So said.

Kong also stressed that it is important for Seoul to know whether An willingly defected or if he was coerced into going to the North. An recently appeared on a North Korean broadcast to stress that he chose to defect.

Qian was quoted by So as saying that China understands that the North has been preparing for a large-scale event to celebrate the foundation of the North Korean workers' party which falls on Oct. 10, strongly hinting at the possibility of a major political event in the North, such as Kim Chong-il's official succession to the head of the government.

China has been trying to determine whether the Oct. 10 celebration is just a festival or has something to do with Kim Chong-il's official ascension to power, So said, quoting Qian.

North Korea has yet to invite anyone from overseas in connection with the Oct. 10 event, So noted.

In addition, China has not considered providing aid to North Korea which is suffering from recent flood damage at the government level, but it does intend to extend assistance through the Chinese Red Cross, So quoted Qian as saying.

Kong stressed that the issue of replacing the current armistice treaty with a peace pact on the Korean peninsula should be discussed directly between South and North Korea and Qian supported South Korea's position on the issue, So said.

Kong then expressed South Korea's gratitude to the Chinese Government for its support, So added.

The two foreign ministers, in the meantime, shared the view that the summit meeting between President Kim Yong-sam and Chinese President Jiang Zemin should take place before the Asia-Pacific Economic Cooperation (APEC) summit in Osaka, Japan, this coming November, So said.

They also agreed to continue their negotiations to determine the exact timing of the Kim-Jiang summit, So noted.

#### **PRC Opposes Proposal for Treaty With U.S.**

SK2509235895 Seoul THE KOREA HERALD  
in English 26 Sep 95 p 2

[Article by Korea Herald correspondent Kim Kyong-ho]

[FBIS Transcribed Text] UNITED NATIONS — China is opposed to a proposal by North Korea that it conclude a peace treaty with the United States to replace an armistice agreement on the Korean Peninsula, a top South Korean foreign policymaker said Monday.

South Korean Foreign Minister Kong No-myong told reporters that he has recently been notified of the Chinese policy on the armistice agreement.

"I have been informed that China regards the North Korean proposal on the conclusion of a peace treaty

with the United States as impossible, unrealistic and irrational," Kong said before he held talks with his Chinese counterpart Qian Qichen here in New York.

China, which is North Korea's ally, believes it would not help secure peace on the Korean Peninsula if one party to the armistice agreement should breach the accord, Kong said.

China is a party to the armistice treaty, which was concluded in 1953 to end the Korean War, along with North Korea and the United States.

In a counterproposal, South Korea has held it should conclude a peace treaty with North Korea. The United States supports the South Korean demand for a peace treaty with North Korea.

When he met with Qian, he requested China speed up its investigation of the alleged abduction of a South Korean pastor by North Korean agents.

South Korea has become impatient over the snail pace of the investigation into the incident, which occurred in early July.

Kong and Qian are in New York to attend the 50th U.N. General Assembly session, which opened last week.

North Korean Foreign Minister Kim Yong-nam, who had been scheduled to address the session Oct. 11, canceled his planned visit to New York.

The cancellation hints at Kim Chong-il's imminent formal assumption of the North Korean presidency, the post vacated by the death of his father, Kim Il-song, last year, a South Korean official said.

In addition to the Chinese investigation into the alleged kidnapping, Kong and Qian discussed preparations for a visit to Seoul by Chinese President Jiang Zemin.

The concrete date for the visit has yet to be formally announced but a South Korean official said Jiang would visit Seoul on his way to the summit of the 18-member Asia-Pacific Economic Cooperation (APEC) forum, scheduled for Nov. 19 in Osaka, Japan.

During their second meeting this year, the two ministers discussed the North Korean situation and security on and around the Korean Peninsula.

Kong repeated Seoul's position that a new peace regime on the divided peninsula should be negotiated by South and North Korea.

He asked for China's active cooperation in the process of working out a new framework for peace to replace the Korean armistice system.

Kong, who arrived in New York Saturday night, started his 12-day schedule in New York with his meeting with Qian.

He attended a luncheon hosted by U.N. Secretary-General Butrus Butrus-Ghali for foreign ministers participating in the General Assembly Session.

Kong held a series of meetings with his counterparts from Spain, Colombia and Brazil later in the day.

#### **Hashimoto's Election as LDP Chairman Viewed**

SK2509055995 Seoul HANGUK ILBO in Korean  
24 Sep 95 p 3

[Editorial: "Japan's Wind of Right-Wing Conservatism"]

[FBIS Translated Text] Ryutaro Hashimoto, minister of International Trade and Industry, who was elected as chairman of Japan's Liberal Democratic Party (LDP), enjoys kendo fencing, which is filled with the samurai (warrior) spirit. He is a fencer of the fifth grade. His neatly greased-back hair and his dignified walk also remind us of a samurai. His behavior is also ruthless, just like a samurai. He visits shrines as a public official and bellows that World War II was not a war of aggression. He also heads the Japan War Bereaved Families' Association, which is a major conservative, right-wing organization in Japan.

The election of Hashimoto, a leading conservative, right-wing politician, as the chairman of the LDP, signifies the emergence of a powerful Japan and a trend towards right-wing conservatism in Japan. Hashimoto, who is popular among the people, was expected to one day become a leader in the political circles. However, we cannot but draw attention to the fact that his emergence coincides with the 50th anniversary of the start of World War II.

Currently in Japan, the wind of right-wing conservatism is blowing stronger than ever before. At the 50th anniversary, it is struggling to forget the fact that it was responsible for the war. Rather than reflecting on its past wrongdoing, Japan is trying to rationalize and beautify it. We can say that it is very significant that Hashimoto has been elected as the LDP chairman at this time. The LDP's core is comprised of conservative forces which Hashimoto represents. Having become the LDP's savior, he has received all the attention of right-wing conservatives.

Whenever given the opportunity, he has called for a strong Japan. He claimed that Japan must actively take part in the United Nation's peacekeeping activities and that it must become a permanent member of the UN Security Council. On the other hand, he has been very

passive about apologizing for the past war. When a resolution on post-war arrangements was adopted at the Diet, he stood in opposition.

Japanese politics will no doubt revolve around him and a conservative axis in the future. Rumors are already emerging of a reorganization of political circles centered around conservative forces. The fate of the coalition regime cannot be foretold. Since Hashimoto himself has been standing at the forefront of supporting the reorganization of political circles in efforts to build a strong Japan, we can easily expect to see a future rise in right-wing conservatism.

On the occasion of the 50th anniversary of World War II, an atmosphere of reconciliation and harmony prevails throughout the world. The emergence of Hashimoto and the establishment of the strong Japan he is calling for must not cloud such an atmosphere. It is probably the expectation of not only neighboring countries, but the whole world, that Hashimoto's emergence will not turn back the hands of history's clock.

To achieve this, Hashimoto must first of all show a clear attitude regarding the past war which he has been ambiguous about. This is very important in determining what the essence of a strong Japan will be. It will be unfortunate for Japan, as well as for Asia and world peace if a strong Japan centers around being stingy in reflecting on its past wrongdoings and becoming a big power by taking advantage of the popularity of right-wing conservatism.

#### **Normalization Papers 'May Not' Be Declassified**

SK2309053695 Seoul YONHAP in English  
0432 GMT 23 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 23 (YONHAP) — The Foreign Ministry may not declassify documents from the normalization talks between South Korea and Japan which took place in and before 1965, when the two countries normalized relations, although legally the documents can be declassified after 30 years, a Foreign Ministry official said Saturday.

The ministry fears that the declassification of the documents on South Korea-Japan normalization talks could adversely affect the current normalization talks between North Korea and Japan, according to the official.

The official also cited the fact that Kim Chong-pil, the main player in the 1965 normalization talks, is still alive and currently heads the opposition United Liberal Democrats (ULD).

He added that the Foreign Ministry has the right to exclude official documents from the declassification law



if their release could be detrimental to the preservation of national security, interests and privacy, even though the documents are more than 30 years old.

The ministry will decide whether to declassify the documents in question by November, the official noted.

#### **Seoul Proposes Renaming Sea of Japan**

SK2309041295 Seoul YONHAP in English  
0145 GMT 23 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 23 (YONHAP) — South Korea Saturday said that the sea between South Korea and Japan should be renamed the "Far Eastern Sea" instead of the current "Sea of Japan," which is how most countries refer to it, insisting that it is rare for a body of water surrounded by two or more countries to use the name of only one nation.

The proposal was made Friday at the annual meeting of the International Atomic Energy Agency (IAEA) which recently described waters between Korea and Japan as the "Sea of Japan" in its report on the outcome of the joint research by South Korea, Japan and Russia on the impact of the Russian nuclear waste dump in those waters, the Foreign Ministry explained.

The sea between the two countries was commonly referred to as the "Sea of Korea" until the mid-19th century, when Japan became very imperialistic and the trend reversed, the South Korean delegation to the IAEA meeting was quoted by the Foreign Ministry as having said.

Many countries then began referring to those waters as the Sea of Japan after the island nation annexed South Korea in 1910, the South Korean delegation maintained.

In a brief response to the proposal made by South Korea, the Japanese delegation to the meeting said that the Sea of Japan has long been used in international documents as a practice, according to the ministry.

The IAEA also refused to accept South Korea's proposal to change the name of the Sea of Japan to the Far Eastern Sea, saying that most international maps use the name "Sea of Japan" to describe those waters between Korea and Japan.

The Foreign Ministry, however, will continue to raise the issue at various international forums in cooperation with academic, journalistic and civic circles in an effort to make the international community consider the matter, a Foreign Ministry spokesman said.

#### **Government Donates \$100,000 to Development Fund**

SK1809104095 Seoul YONHAP in English  
0832 GMT 18 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 18 (YONHAP) — South Korea recently decided to contribute 100,000 U.S. dollars to the South Pacific Forum to promote development projects in Southern Pacific countries, a Foreign Ministry spokesman said Monday.

Vice Foreign Minister Yi Si-yong made the announcement when he attended the 26th South Pacific Forum's post-forum dialogue held in Port Moresby, Papua New Guinea from Sept. 17-18, the spokesman said.

The 15-member forum officially accepted South Korea as a dialogue member when it met in Madang City, Papua New Guinea, Sept. 13-15.

#### **EC Report Urges More Open Car Market**

SK2309030595 Seoul THE KOREA TIMES in English  
23 Sep 95 p 8

[FBIS Transcribed Text] Amid mounting pressure by the United States for the further opening of the car market in Korea, the European Union is employing stepped-up steps to pry open the Korean automobile market as well.

The European Parliament came up with a report calling for measures for more access to the Korean car market by the European Union, according to the Brussels office of the Korea Trade & Investment Promotion Agency (KOTRA).

In the report analyzing the European Commission's policy on promotion of competitiveness of the European car industry, the parliament called on the commission to strongly demand the abolition of various kinds of barriers in third nations where the advancement of European-made cars is hampered.

In particular, KOTRA said, the parliament asserted that the relatively closed Korean car market requires attention.

KOTRA analyzed that there will be stronger demand from the EU for market opening, depending on the result of the ongoing car negotiations between Korea and the United States.

The possible car dispute with EU could cause Korea more difficulty since the EU employs stricter environmental and safety requirements than other developed nations, KOTRA said.

**Nepalese Weekly Demands Apology for 'Propaganda'**

SK2209111395 Seoul YONHAP in English  
0900 GMT 22 Sep 95

[FBIS Transcribed Text] Bangkok, Sept. 22 (YONHAP) — The North Korean Embassy in Nepal has been harshly criticized for its recent false propaganda praising the late Kim Il-song and his son Kim Chong-il and for provoking the Nepalese youth.

In an article, obtained in Bangkok, entitled "North Korea Is Making Fools Out of the Nepalese Youth," a Nepalese weekly reported that North Korea is now engaged in a dangerous game of false propaganda and unethical practices targeting the vulnerable Nepalese youth when it held an inter-country school quiz contest recently in Kathmandu, the capital of Nepal.

All the "correct" answers to the quiz were supposed to be "North Korea," the JANA BHAWANA NATIONAL pointed out in its edition dated Sept. 18.

The Nepalese weekly revealed some of the questions of the so-called quiz — Which country does not have AIDS, unemployment or taxes? Which country is a paradise on earth, and Where does one find the best education system? Which country has the market of cheapest food grains and rice?

"If the questions asked and the answers given are to be evaluated in proper perspective, it can easily be interpreted as an insult to our intellect, talent and time... It unquestionably invites harsh criticism," the weekly demanded.

Such programs create nothing but falsehoods and are a gross insult to the pride of the Nepalese people, the weekly commented.

The paper stressed that authorities from around the world describe North Korea as a country facing acute food shortages and note that the situation is ever-worsening there, to such an extent that North Korea had to even beg its bitter foe South Korea for food grain assistance.

"North Korea's Kathmandu based embassy is engaged in activities that are a waste of time for Nepalese youth. Why is it engaged in such an exercise? This is a matter of considerable concern and curiosity for Nepalese in general. This has not only made North Korea a target of scorn but also created an atmosphere whereby," the paper said.

The weekly urged that the Nepalese Government should demand an apology from the North Korean officials at its embassy there and also any others involved in instigating the Nepalese.

If such activities are repeated in the future, North Korean Embassy will be the center of protest from students, teachers and intellectuals here, the paper concluded.

**DLP-NCNP Ties Pushed to 'Lowest Ebb'**

SK2309024995 Seoul THE KOREA HERALD  
in English 23 Sep 95 p 2

[FBIS Transcribed Text] Law-enforcement agencies are cornering the main opposition National Congress for New Politics by expanding their investigations into alleged violations of the election law and bribe-taking charges against opposition party members.

The search of an opposition party lawmaker's office, which was conducted by the police yesterday morning, is pushing relations between the ruling camp and the opposition party to the lowest ebb.

The search followed the arrest of a Seoul ward office head, who is affiliated with the main opposition party under Kim Tae-chung's leadership.

Choe Son-kil, head of Nowon Ward Office, was arrested Tuesday on charges of violating the election law during the June local elections.

He is also suspected of having contributed 50 million won to a private foundation run by Kim Tae-chung in return for a promise to nominate him as the opposition party's candidate.

Commenting on the search of Rep. Yim Chae-chong's office, Pak Chi-won, spokesman of the main opposition party, said, "We are enraged at the police action. We urge the police to apologize for the incident and to immediately stop investigating our party members."

He also said his party will send a delegation to the National Police Agency in Seoul to protest against what he called a grave incident damaging the authority of the National Assembly.

The search came when the main opposition party and the ruling party were engaged in a dispute over the arrest of the head of the Nowon Ward Office.

The main opposition party claimed that the arrest is an act of suppression against opposition forces.

Party officials contended that the government is targeting their party members for investigation to mar the image of their party before the general elections next April.

But the ruling Democratic Liberal Party defended the prosecution's action, saying it is routine law enforcement against law violations.

The ruling party also called on the main opposition party to apologize to the public for its member's violation of the election law.

"It is regretful that the opposition party see the prosecution's action against breaking a law as a form of suppression against the party," said Rep. Kang Sam-chaе, secretary-general of the ruling party.

The arrest of the ward head was the latest in a series of actions by the law-enforcement agencies toward alleged violators of the election law and politicians suspected of taking bribes.

Early this month, a senior lawmaker of the main opposition party was arrested by the prosecution on suspicion of taking a bribe from a small corporation.

Another lawmaker of the opposition party, who is now in Japan, is facing an arrest by the prosecution for his alleged blackmailing of corporations.

The prosecution has been also conducting probes into a money-for-votes scandal involving education board members in Seoul and Kim Tae-chung's foundation.

#### **Lawmaker Notes 'Doubled' Corporate Donations**

*SK2509062495 Seoul YONHAP in English*  
*0026 GMT 25 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 25 (YONHAP) — Donations by businesses have sharply increased in spite of Kim Yong-sam's policy to decrease the "para-tax" burden on businesses.

Contributions made by the nation's 100 largest business corporations in terms of corporate tax payment last year totaled 2, 014 billion won (2.6 billion U.S. dollars), up 37.1 percent from 1993 and 83.6 percent from 1992, according to the figures Rep. Yi Kyong-chaе of the opposition National Congress for New Politics obtained from the National Tax Administration and released Sunday.

Entertainment expenditures these companies spent in 1994 totaled 1,992.3 billion won, up 13.7 percent from 1993 and 28.9 percent from 1992.

Rep. Yi noted that the National Tax Administration had not given him the data on donations and entertainment expenses by each of these companies.

President Kim, up taking office, declared he would not accept any political funds from businesses to reduce their "para-tax" burden, however corporate donations have almost doubled since his inauguration, Yi noted, urging the government to keep the president's inaugural promise.

#### **Opposition on Hanahoe Generals Still in Army**

*SK2109122995 Seoul YONHAP in English*  
*1118 GMT 21 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 21 (YONHAP) — Despite the steady crackdown on Hanahoe-member officers since the birth of the Kim Yong-sam administration, there still remain about 200 Hanahoe officers in the Army, an opposition lawmaker claimed Thursday.

Rep. Kang Chang-song of the Democratic Party said an analysis made based on materials provided by Army authorities, indicates that 28 Hanahoe general-officers are presently on the active service.

They include 10 Maj. Generals and 18 Brig. Generals, Kang, a retired Maj. General, said.

Hanahoe, now defunct, was a clandestine private officers society led by former President Chon Tu-hwan during his days of Army officer.

It was mainly with the help of Hanahoe officers that he staged a de facto coup in December 1979 following the assassination of President Pak Chong-hui and subsequently seized power.

"My analysis shows no Hanahoe officers are field commanders," he said. "They hold duties in the areas of military education and policy making."

Kang said that when field-grade officers are included, those Hanahoe officers in the active status number about 200.

Saying that field-grade Hanahoe officers enjoyed no privileges in the past and were excluded from promotion in the past two years, Kang suggested that the time has come for the government to lift any discriminatory steps against them.

A total of 16 Hanahoe general officers were expelled from the active service since the coming of the civilian-led administration.

They include four involved in the 1979 coup-like incident, one in arms purchase irregularities, two for making inflammatory political remarks, and seven simply for being one-time Hanahoe members, Kang said.

#### **Over 5,000 Professors Oppose Kwangju Decision**

*SK2509062195 Seoul YONHAP in English*  
*0025 GMT 25 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 25 (YONHAP) — More than 5,000 professors across the country have signed a statement denouncing the prosecution's decision not to indict former Presidents Chon Tu-hwan and No Tae-u and others who were sued for their alleged



involvement in the bloody suppression of the May 18, 1980, Kwangju democratization movement.

According to data submitted by the Education Ministry to the National Assembly for Inspection, the number of professors who have participated in the signature campaign since 131 Korea University professors launched the petition on July 31 total 5,183.

The figure is comprised of 3,897 professors from 45 universities and 1,286 others affiliated with six professor organizations including the Kwangju-South Cholla Provincial Federation of Professors Association and the Democratic Education Council.

By organization and college, the largest number of supporters was registered by the Kwangju-South Cholla Provincial Federation of Professors with 1,101, followed by 354 from Choson University, 225 from Seoul National University, 303 from Chunbuk National University, 131 from Korea University, 131 from Kyongsang University, 125 from Kyonsong University, 114 from Kwangun University and 113 from Yonsei University.

The statements called for an investigation of the May 18 Kwangju uprisings and for punishment to be brought against those who were responsible for the movements bloody suppression, legislation of a special law irrespective of the statute of limitations and the introduction of a special prosecutor system and a special court.

In the meantime, college students who have been convicted since 1993 in connection with national security affairs and campus disputes totaled 2,044 as of Sept. 11, the comparable figure for professors was 17.

The number of students taken into police custody increased from 21 in 1993 to 38 in 1994 and 96 in 1995.

Meanwhile, students who sustained injuries in the course of demonstrations on campuses totaled 43 from 17 universities.

#### **Firm To Produce Macintosh-Compatible PC's**

SK2309044295 Seoul THE KOREA HERALD  
in English 23 Sep 95 p 8

[FBIS Transcribed Text] LG Electronics Co. is expected to cause an upheaval in the domestic personal computer (PC) market by agreeing with Apple Computer of the United States to produce Macintosh-compatible PCs. The company said yesterday it has recently reached a final accord with Apple Computer on the production of PCs which are compatible with the popular Macintosh model.

The Macintosh model currently accounts for about 13 percent of the world PC market, while the rest is occupied by IBM-compatible PCs.

Apple Computer has recently changed its policy of producing Macintosh computers on its own and begun to allow a small number of other PC makers to turn out Macintosh-compatible models.

In the United States, Power Computing Co. was the first such to be granted the right to introduce Macintosh-compatible PCs.

LG Electronics said that it has also agreed with Power Computing to acquire a certain portion of the latter's shares. The size of LG's capital investment has yet to be worked out, a company official said.

According to the official, LG Electronics will be able to introduce a new PC based on Apple Computer's latest PowerMac model in the early half of next year.

"We believe that the new PC will bring a major change to the Korean computer industry," the official said.

LG hopes that its alliance with Apple Computer will give it an advantage when the domestic PC market is reshaped along a new type of computer which is compatible with both IBM PCs and Apple PCs.

"By 1997, about 30 percent of the Korean PC market will be accounted for by such new computers," the official said.

In the United States, the two computer giants of the world, IBM and Apple, have already joined hands to develop the next-generation PC standard which they call "hardware reference platform." The new PC will unify the two different PC systems of the two companies.

Through the acquisition of shares of Power Computing Co., LG Electronics intends to participate in this unification project.

#### **Ministry Drafts Law To Offer Financial Aid**

SK2209041995 Seoul THE KOREA TIMES in English  
22 Sep 95 p 8

[FBIS Transcribed Text] A special law has been drafted by the Ministry of Trade, Industry and Energy (MOTIE) to help small companies fight potential bankruptcy, finance their businesses and secure cost effective manpower.

According to MOTIE officials yesterday, consultations with related government agencies have been completed, and the package was submitted to the National Assembly for approval yesterday.

Under the special legislation, the central and provincial governments will provide consultative and financial assistance to ailing small companies to get them back on their feet.

One of the ways to do this will be to help small companies in unproductive businesses move into new sectors by identifying potential businesses before it is too late, MOTIE officials said.

In addition, the new legislation will allow the establishment of short-term manpower service companies specializing in providing temporary workers to small companies who cannot afford to hire permanent employees.

Large companies will be placed under surveillance to ensure that a portion of payments made to small companies is in cash instead of promissory notes.

#### **High Savings Rate Lags Behind Investment Rate**

SK2409011295 Seoul THE KOREA TIMES in English  
24 Sep 95 p 9

[FBIS Transcribed Text] The nation's savings expressed as a percentage of the gross national product (GNP) are

projected at 35.2 percent this year, lower than the gross domestic investment rate of 36.1 percent, the Ministry of Finance and Economy reported yesterday.

It said the savings rate has continued to lag behind the investment rate since 1991.

The savings rate was 36.1 percent in 1991 and 34.9 percent in 1992, lower than the investment rates of 39.1 percent and 36.8 percent, respectively. The savings and investment were balanced at the same rate of 35.2 percent last year. But this year, the savings rate has begun to fall behind the investment rate again, the ministry said.

Korea maintains one of the highest savings rates in the world but its high savings rate has not been able to keep pace with the exploding investment growth rate.

## Brunei, Malaysia & Singapore

### Malaysia

#### Cambodia's Intent To Join ASEAN Greeted

*BK2209155895 Kuala Lumpur Voice of Malaysia in English 0810 GMT 22 Sep 95*

[Station commentary]

[FBIS Transcribed Text] The announcement that Cambodia will become a member of the Association of Southeast Asian Nations or ASEAN in 1997 has been welcomed warmly. Doubtless there are many internal problems that continue to confront Cambodia, yet it is striving under the leadership of King Norodom Sihanouk to come into the main stream of the region. This is the right step to take. Ultimately, Cambodia's success will depend greatly on its economic reconstruction and recovery.

King Sihanouk paid an official visit to Malaysia early this month. That event set in motion new economic and trade contacts between the two countries.

Many Malaysian entrepreneurs are keen on expanding their ventures in Cambodia. The attractive incentives that Cambodia provides are quite encouraging. Yet Cambodia needs more foreign capital. The ripple effect will be served in greater employment opportunities, as well as in public revenues. Considering the shattered state of its economy until recent times, it must be considered that Cambodia has done well. The new banking laws and the revival of the central bank, called the National Bank of Cambodia, are also quite reassuring.

Inevitably, Cambodia will need much assistance from the ASEAN member states. Apart from direct assistance, they can also be helpful with education and training awards. Malaysia is already providing significant assistance in the form of training of cadet diplomats and administrators. Cambodia realizes the importance of carrying out some essential reforms in its internal administration. For example, the public accounting system was based on French practice. It is now switching to the American system to be in harmony with the ASEAN region. The development of a model stock market system is also proceeding rapidly.

Cambodian development will be accelerated by the Mekong Six Plan. The six countries involved are Laos, Myanmar [Burma], Yunnan Province in China, Thailand, and Cambodia itself. The recent meeting of the Mekong Six in Singapore marked the commitment of all of them to press ahead with more dynamic development. A major road project has been mentioned. Stretching from Vietnam to Myanmar and from South China to

the southern coast of Cambodia, this highway will help to open up more areas. Much hope is, of course, being placed on the private sector. The vast potential in the areas concerned is known to all entrepreneurs.

Cambodia already enjoys some privileges and a pledge of access to some important trading nations. The United States too may grant its Most Favored Nation status. Of course, all this is dependent on the domestic stability factor. Along with that is the need to diffuse and remove a vast number of littered land mines.

Cambodia will be playing a prominent role in an important UN conference on inhumane weapons next week. Its leaders have made several passionate pleas for the total ban on the land mines of all types. There can be no peace in Cambodia without a total ban on land mines of all types. That is the Cambodia's stand expressed by political, religious, and cultural groups. The world must heed ASEAN's call for human values. Apart from a strict ban on manufacture and export of the deadly mines, there must be more aid for the cleansing of mines. It is pitiful to see photographs of children who have lost a limb as a result of tripping on a land mine. It is estimated that one person in 246 people have lost a limb to a mine.

Cambodia wants to begin a new and brighter chapter in international history. The international community must not turn away from Cambodian issue.

#### Deputy Premier Denies Contesting Party Presidency

*BK2409135295 Kuala Lumpur BERITA MINGGU in Malay 24 Sep 95*

[Received via Internet]

[FBIS Translated Text] Seremban — Deputy Prime Minister Datuk Sri Anwar Ibrahim has said he will not contest the presidency of the United Malays National Organization [UMNO] against Datuk Sri Dr. Mahathir Mohamed in the party's general assembly next year.

According to him, the rumors that he would contest the post were unleashed by certain circles who are trying to pit him against Dr. Mahathir.

"The rumors began six months ago, but Dr. Mahathir and I have agreed not to entertain them in the hope that they would disappear. However, the rumors have now reappeared and I feel the need to clarify the matter recently.

"I have never taken the rumors seriously because my support for him is undivided," he said.

Speaking at the inauguration of the meeting of the UMNO Tampin Division here yesterday, he said he



would not entertain any suggestions to contest Dr. Mahathir in the general assembly.

"He (Dr. Mahathir) knows...members of the Supreme Council know ...I will not contest the post. I will not entertain any suggestions to contest our president.

"They want to pit the leaders against each other because they dislike the president (Dr. Mahathir) and myself in particular," he said.

He said UMNO has a way to deal with such displeasures because he and Dr. Mahathir are willing to listen criticisms and opinions.

"I have stressed repeatedly that I will not contest the party presidency. However, you should understand that these liars have said otherwise.

"Indeed, we cannot deny that there are verbal abuses, slanders, and anonymous letters in our politics. They are not numerous. There are only two or three professional liars. Our party will not bow to the will of such members.

"They are psychopathic. They have tried to confuse and undermine other people. They are psychopathic. The heart disease is not as serious as psychopathy," he said.

Present at the function were Negeri Sembilan Chief Minister Tan Sri Mohamed Isa Abdul Samad, Vice President of the UMNO Women Movement Datuk Napsiah Omar, and UMNO Tampin Division Chief Datuk Waad Mansor.

Last Tuesday, Anwar said in a news conference after the UMNO Supreme Council meeting that his support for the president should in no way be raised or disputed.

At the function yesterday, Anwar said he was thankful to God because there was a spirit of togetherness in the Supreme Council. The spirit must be preserved to enable the party to totally support the president.

"The party president is not new. He has made a lot of services. He is famous for his firmness not only at home but also the world over.

"We do not want to become a nation ungrateful or disrespectful toward a great leader," he said.

Regarding the action against UMNO members who had violated the party's discipline, he said there was no use for UMNO to retain a small number of members who were unable to serve the party and who had, thus, become an uncontrollable cancer.

He said UMNO would first study reports before action is taken against UMNO members who have violated the party's discipline to avoid possible injustice.

He said the UMNO Headquarters would review the party membership to enable every branch and division to know the precise number of their members after all divisional meetings are concluded.

## Singapore

### Prime Minister Holds Talks With Suharto

BK2209162695 Singapore THE STRAITS TIMES  
in English 22 Sep 95 p 1

[Report by Paul Jacob]

[FBIS Transcribed Excerpt] President Suharto yesterday underscored Indonesia's commitment to global cooperation and the free-trade process, assuring Europe in particular that moves to establish regional and Asia-Pacific-wide trade areas would not result in exclusionary trade or economic blocs. [passage omitted]

Indeed, during bilateral talks with [Prime Minister] Mr. Goh [Chok Tong] before lunch, both leaders agreed on the importance of a comprehensive implementation of the free-trade goals outlined in Bogor.

Indonesian State Secretary Mardiono told journalists that both agreed that implementation must be "without exceptions"—a possible reference to attempts by some member-economies to exclude sensitive sectors such as agriculture from the free-trade agenda. During talks at the Istana [Palace] Mr. Suharto also indirectly rejected proposals that implementation of Afta [ASEAN Free Trade Area] be further accelerated to the year 2000, as mooted by Sultan Hassanah Bolkiah of Brunei.

According to Mr. Mardiono, Mr. Suharto told Mr. Goh that Indonesia was prepared for Afta's implementation by the year 2003, as had been agreed to already.

Mr. Suharto, who was on his first visit here since 1992 left for home last night.

While here he also witnessed the signing of two agreements between Singapore and Indonesia and opened an Indonesia-Singapore exhibition jointly with Mr. Goh. [passage omitted]

### Aviation, Military Pacts Signed With Indonesia

BK2409123095 Singapore THE STRAITS TIMES  
in English 22 Sep 95 p 1

[Report by Paul Jacob]

[FBIS Transcribed Text] Singapore and Indonesia strengthened cooperation in civil aviation and military training with the signing of two agreements yesterday.

Indonesian Communications Minister Haryanto Dhanu-tirto and Defence and Security Minister Edi Sudrajat

said in separate comments to THE STRAITS TIMES that the pacts further symbolised the close bilateral ties.

Mr. Haryanto signed the civil aviation agreement with Communications Minister Mah Bow Tan, while Gen. Sudrajat signed the military training areas pact with Deputy Prime Minister and Defence Minister Tony Tan.

The signings at the istana [presidential palace] were witnessed by Indonesian President Suharto and Prime Minister Goh Chok Tong, who met earlier for talks on a range of bilateral and regional issues.

The civil aviation agreement realigns the boundary between the flight information regions controlled by both countries' air traffic control centres and will now be lodged with the International Civil Aviation Organisation (ICAO).

According to a Ministry of Communications statement, Indonesia had proposed a realignment of the boundary in 1993, and bilateral discussions had been going on since then.

Under the new agreement, Jakarta will provide air traffic services for additional airspace stretching from the south of Sumatra to the Natunas in the South China Sea.

But to accommodate Singapore's civil aviation needs, Indonesia will delegate an airspace of up to 90 nautical miles south of the Republic to Singapore's air traffic control, said the ministry statement.

Singapore will also collect — on behalf of and for Indonesia — air navigation charges in the airspace it manages. The rates of these charges will be agreed on jointly and will be competitive internationally.

Mr. Haryanto said earlier that the agreement giving Changi Airport control of Indonesian airspace — extended from 75 nautical miles previously — would cover airspace as well as landings and takeoffs at airports in Batam and Bintan.

"We see ourselves as close neighbours with Singapore. We have offered to them, in this matter, control of air traffic. But the sovereignty of the airspace remains ours," he said.

He did not envisage problems arising from the arrangement as air traffic control in the area would be on a first-come-first-served basis.

"That way, there will be no privilege, whether for Singapore or Indonesian airlines. Whoever arrives first or first asks to take off must be handled first by Changi," he said.

"This is a significant step because in Batam's case, for example, planes have difficulty taking off from there at night because Singapore airport is at its busiest. With

this agreement and the first-come-first-served principle, if someone at Batam asks first, it has to be served first."

As for Changi's collection of air navigation charges from airlines which overfly Indonesian airspace, Mr. Haryanto said such charges had been a "long-standing government policy", but had not been applied previously to Indonesian airspace managed by Singapore.

"Now we will ask Changi to collect the fee and it will be channeled to Perum Angkasa Pura II [roman two], the public company handling airports in the western part of Indonesia. This fee is for maintaining the air traffic control, radar radio, and other equipment," he said.

Speaking on the military agreement, Gen. Sudrajat said Singapore's air force would be allowed to conduct aircraft training and testing in airspace over two parts of Indonesia.

One is a 50-sq-km area over the sea in the southern part of Sumatra, close to the Riau islands, while the other is the northeast, near the Natuna islands in the South China Sea.

The accord supplements existing ones covering the use of air weapons and air combat manoeuvring ranges in Sumatra, he said.

#### Navy To Buy Used Submarine From Sweden

BK2609110095 Singapore THE SUNDAY TIMES  
in English 24 Sep 95 p 3

[Report by Raoul Le Blond]

[FBIS Transcribed Text] The Republic of Singapore Navy (RSN) will acquire a low-cost second-hand submarine as part of a training package in submarine warfare offered by Sweden next year.

Forty seamen will be sent to train at naval bases in Sweden over a period of between two and four years to learn to operate submarines.

The training, which starts in April, is part of the RSN's evaluation process to see if the navy should add submarines to its inventory.

Deputy prime minister and minister for defence, Dr. Tony Tan, announced this during a visit to the navy's Training Command at Tuas Naval Base yesterday.

He said the acquisition of the submarine training package was in line with making the RSN a balanced force which could fulfill its many responsibilities.

With 30 ships and about 4,000 officers and men, the navy, he said, already had the technology to handle various threats.

The RSN's Missile Corvettes (MCV's) gave it an anti-submarine capability, while Mine Counter Measure Vessels enabled it to tackle sea mines.

He said the navy could rely on the new Maritime Patrol Aircraft to provide air surveillance — even at night and in low visibility — for naval operations.

The navy had been considering acquiring submarines for some time, but Dr. Tan stressed that no decision had been made on whether a submarine capability was necessary, and said the package offered by Sweden was purely for training:

"We need to learn more about submarine operations and how they add to the capabilities of the RSN's fleet."

The second-hand Sjoormen submarine which the RSN is buying would act as a training platform for the navy's personnel who will train in Sweden.

"The advantage of this training package is that it will give us actual knowledge of how submarines are operated and how they can add to our present capabilities. If and when in the long-term we decide that we need a submarine capability, then we will know what specifications to aim for and what type of submarine to buy," the minister said.

Singapore is not the first country in the region to consider submarines.

Australia and Indonesia already deploy the vessels while Malaysia and Thailand are studying their value.

The 40 Sweden-bound RSN men were hand-picked by the navy, and are all keen to take part in the programme, the Ministry of Defence said.

They will train in various naval bases in Sweden, and as they will be away for between two and four years, most plan to have their families join them there.

Each of the men will be trained to perform a certain task aboard the submarine as well as learning how to operate as part of a crew.

The training consists of classroom lessons and hands-on practice, both in simulators and at sea aboard the RSN's Sjoormen and other Swedish navy submarines.

### Cambodia

#### Ranariddh To Propose Death Penalty for Crimes

BK2609014695 *Phnom Penh National Radio of Cambodia Network in Cambodian*  
1300 GMT 25 Sep 95

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia, said on the morning of 25 September that

he would propose to the National Assembly that they consider imposing the death penalty for three categories of criminals, that is:

1) traffickers in narcotics; 2) kidnappers who murder their victims; and 3) robbers who also commit murder.

The proposal for the death penalty for the three aforementioned categories of criminals is made in connection with the current situation in which the police have investigated and arrested a number of culprits, causing insecurity and jeopardizing social order.

It should be noted that it is stated in Article 32, Chapter 3 of the 1993 Constitution of the Kingdom of Cambodia concerning the rights and duties of Cambodian citizens, that every citizen shall have the right to live and enjoy freedom and personal security. Capital punishment shall not be instituted.

Therefore, this proposal for capital punishment to be meted out to criminals will certainly bring about an amendment to the constitution.

#### 'Healthy' 1994 Trade Balance Reported

BK2609022295 *Phnom Penh PHNOM PENH POST*  
in English 22 Sep-5 Oct 95 pp 1, 2

[FBIS Transcribed Text] Cambodia's export income was \$457 million last year — three quarters of it coming from timber sales and black-market re-exports of gold and cigarettes.

Total trade approached \$1 billion, according to 1994 National Bank figures.

Gold and cigarette re-exports — coming into Cambodia from places such as Singapore, and then on to booming, though restrictive neighboring markets — were worth \$140 million. Timber exports were worth \$197 million. Total exports were up from \$284 million in 1993.

Imports last year were worth \$643 million, up from \$471 million in 1993, leaving Cambodia with a balance of trade deficit of \$186 million.

"The numbers are small, but you would say it's pretty healthy, if you were to not look at what has gone on before, or what will go on in the future," said Peter Parsons, the statistical advisor to the International Monetary Fund, who directed the report.

The study provides a snapshot of a tiny economy whose consumer buying power is increasing with more and more cars, oil, electronic goods, construction materials and other products being imported.

It also shows an enormous amount of cigarettes and gold being brought in and shipped out again.



The report says about one third of the imports were re-exported, principally gold and cigarettes.

But potentially worrisome is that the two largest sources of foreign exchange coming into the economy were \$254 million in foreign aid, and the \$197 million in timber, both of which are at risk as future income sources.

The government announced a ban on log exports in April in an effort to preserve the environment.

Finance Ministry Under Secretary Chea Peng-chheang said Sept 19 that the finance ministry only expects to report \$20 million in log exports for 1995.

He said the intention is to replace these exports with value added products, such as furniture.

"Two companies have been licensed for export," he said.

He said officials are working with the Council for the Development of Cambodia (CDC) to develop furniture exports.

The foreign aid in the balance of trade report is money actually spent, not what was pledged.

It shows that aid flowing into Cambodia was lower in 1994 than in 1993 when it totalled \$334 million, but in 1993 aid was inflated by a special \$55 million debt-clearing donation.

Total aid for 1995 is still being spent and hasn't been calculated yet, and 1996 budgets in most cases haven't been arrived at yet, but the United States has already indicated that aid to Cambodia will be cut due to the U.S. budget deficit.

"We are going to see cuts in aid in Asia, possibly as much as 40 percent, USAID deputy representative Carol Lancaster said this week.

She said the cuts in Cambodia may not be as deep as in other countries.

The U.S. contributed \$41 million this year.

The aid figures in the balance of trade report do not include loans from institutions such as the World Bank and Asian Development Bank, which have been increasing their lending to Cambodia.

The report shows that \$13.9 million in foreign aid was spent on salaries, mostly for foreigners, but also for Cambodians on salary with NGOs (Nongovernmental organizations).

The imports included \$75 million in construction materials for the aid projects, \$38 million in motor vehicles and \$25 million in drinks, and \$90 million in

cigarettes and \$70 million in gold, most of which were re-exported.

The exports included besides the timber, \$25 million in rubber, and \$227 million in re-exports — in other words about one third of the imports were shipped out again as exports, making transshipping one of Cambodia's biggest businesses.

Direct foreign investment in 1994 was \$69 million, of which about \$59 million represented the capitalization of the banking sector.

The money flowed into the National Bank at a rate of \$5 million per bank when a flurry of banks was licensed in 1994.

The report puts direct foreign investment at just \$10 million. That doesn't include investment by Cambodians.

The IMF did a balance of trade estimate a year ago, but the numbers weren't as comprehensive.

The study is significant for policy makers who need to have an idea of the volume and type of international transactions occurring in order to establish policies on interest rates, inflation and other fiscal measures.

Parsons said that the numbers were in many cases estimates culled from a variety of ministries and Customs.

The aid numbers come from the NGOs spending the money and the government.

Because rubber, for example, is not taxed as an export, the estimate of \$25 million in rubber exports comes from the Ministry of Agriculture.

The Ministry of Agriculture has said in the past that rubber smuggling across the border to Vietnam is a major problem.

The trade study provides no estimates for various goods that are widely said to be exported on the black market out of Cambodia, such as rubies and drugs.

However it estimates that about \$140 million worth of gold and cigarettes were re-exported.

Chea Pek-chring, a finance official, said the government is aware there is a large amount of what he called "cross border" trading.

"It's normal, but we have a policy not to encourage it," he said.

"We don't encourage it because we know that the real economic growth is in production, private investment," he said.

No one really knows the extent of this trade, but the principle behind it is clear enough — Cambodia has relatively low tariffs and foreign traders can get access to the booming Vietnamese market, and avoid its stiff tariffs and trade restrictions, by sending their goods via Cambodia.

Chea Pek-chring said Vietnam sends merchandise into Cambodia as well.

The border trade has been going on for years, say Phnom Penh businessmen, but there is no great impetus to stop it because the traders aren't breaking Cambodian law.

"As Vietnam moves towards reducing its trade barriers the problem will get reduced," said one Phnom Penh businessman.

#### **Government Allows Floating Hotel To Reopen**

BK2509132795 *Phnom Penh PHNOM PENH POST*  
in English 22 Sep-5 Oct 95 p 13

[Report by Ker Munthit]

[FBIS Transcribed Text] The government has agreed to reopen the Thai-owned Floating Hotel but said the business contract may have to be renewed, according to a spokesman of the Ministry of Public Works and Transport.

"The government has agreed in principle with the resumption of the Floating Hotel," said Ministry spokesman Meas Samit.

The hotel first opened under the former State of Cambodia Government which allowed Chaktomuk Theater on the riverbank to be used as part of the hotel premises.

When the new government came into office after the election, the four-story ship was ordered out and has been empty and anchored near Chrouy Changva bridge for nearly two years.

Dechar Sarbua, managing director of the Orlan Travel-owned hotel, and Thai Embassy officials met on September 14 with Minister Ing Kiet to discuss new operational sites for the hotel.

Samit said Kiet offered the company two possible locations: either on the Mekong River east of Chrouy Changva bridge or off Hun Sen Garden adjacent to Naga casino.

He said the government had no objection to the company's preference of the spot south of Naga casino, however warned of the low three-meter water level in the dry season.

To avoid being bogged the ship needed the clearance depth of up to eight meters. This could be achieved by pumping silt from the bottom of the river but that

method was costly and a burden on the company, Samit said.

"Pumping the silt should be carried out on a large scale otherwise the site would get quickly refilled. Pumping will cost millions of dollars," he said.

The other site east of the bridge has a permanent depth of eight meters, he said.

No final decision has been made, but the company would start work to inspect the sites.

#### **Malaysian Investment in Tourism Reported**

BK2209105495 *Phnom Penh REAKSMEI*  
KAMPUCHEA in Cambodian 22 Sep 95 p 4

[Report by N. Sranaoh and B. Seila]

[FBIS Translated Excerpt] Tourism Minister Veng Sereivut on 18 September led a delegation to attend a seminar on tourism in Cambodia in Kuala Lumpur, Malaysia, organized by Royal Air Cambodge. [passage omitted]

According to Tourism Ministry sources, what has attracted foreign investors to Cambodia is the Royal Government's nonracial discrimination investment policy. Besides, the stability and the security of tourist areas are improving. Many points in the Cambodian investment law have also been improved. This has raised investor confidence.

The sources added that the foreign investment in tourism is currently \$278.9 million. This includes the construction of the new \$120 million Pochentong airport which will be completed in 1998; and the \$40 million repair and refurbishment of the international airport at Sihanoukville to be completed in 1997. A number of companies have invested in hotels, including five-star ones. A Singapore company has invested \$55 million in renovating the 300-room Grand Hotel in Siem Reap and the 209-room Le Royal hotel in Phnom Penh. The repair of Siem Reap international airport costs \$14.4 million. Three more new hotels are to be built by foreign companies in Siem Reap Province. They are the \$15 million 300-room Royal Angkor; the \$13-million, four-star, 145-room General Hotel Corporation; and the \$6.5-million 32-room Auberge du Temple. In Sihanoukville, private companies are refurbishing the Independence hotel into a five-star 100-room hotel at a cost of \$15 million. The construction of all these hotels will be completed in 1997. Two more recently-signed projects in Siem Reap Province are the 150-room Novotel and the 400-room Meridien hotel which costs \$15 million. Their construction will also be completed in 1997.

[Passage omitted on forecasts of an increase in the number of tourists in the coming years]

#### **No Apology Offered for 'Balloon Six' Arrests**

*BK2509130495 Phnom Penh PHNOM PENH POST in English 22 Sep-5 Oct 95 p 7*

[Report by Ker Munthit and Jason Barber]

[FBIS Transcribed Text] The government is offering no apologies to the "balloon six", who won their freedom this week after six weeks in T3 prison on charges of being anti-government agitators.

Both Information Minister Ieng Muli and Interior Minister Yu Hokkri defended the six men's arrest and imprisonment.

Muli suggested the six could have been paid by the Khmer Rouge, while Hokkri said at least one of them had been involved in demonstrations before.

The six men — including a one-legged balloon seller, a former Funcinpec [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] youth leader and the secretary general of the Khmer Kraom Association — were arrested August 5 during the visit of U.S. Secretary of State Warren Christopher.

Involved with the release of balloons with political leaflets tied to them, they were accused of inciting people to "commit crimes or hate the Royal government."

They were released September 18, after an appeal for their freedom from King Norodom Sihanouk, and all charges dropped. Looking clean and well dressed, the six were met by a crowd of waiting journalists as they walked out the prison gates. They had little to say, heading straight for moto-taxis to go home.

"I did what my will told me to do and I violated nothing," said Sit Kosang Sin, the former Funcinpec youth leader who planned the balloon protest.

Also arrested was Son Yin of the Khmer Kraom Association and four others — including a one-legged man and his son — who maintained they were just balloon sellers.

Their defender, Um Samuel of Charto, said their unconditional release came after the Phnom Penh Municipal Court decided there was insufficient evidence to try them. It also followed a petition to the co-prime ministers from the king.

The arrest of the six attracted strong condemnation from human rights watchdogs around the world as a breach of their right to freedom of expression.

But Minister of Information Ieng Muli, a public opponent of jailing people for expressing opinions, said after their release that the police had been right to arrest them.

"This incident was on a very special occasion (Christopher's visit). If they did this during any other day, there may have been no need to arrest them."

Muli said it had been possible the six would do "something more" than just release balloons, and had to kept away from Christopher.

Asked why they were detained for six weeks, when Christopher's visit lasted less than two days, he said: "I don't know. But I understand the reason why they were investigated to find their sources of money."

"I heard (they got paid) \$2,000 or something like that. Who has money like that? The suspicion is that there may be a connection with the Khmer Rouge."

Minister of Interior Yu Hokkri said he knew nothing about any KR [Khmer Rouge] involvement.

But he did not believe the men's arrest and detention was a mistake, saying: "I think there may be something more to it than that. One of them was involved in demonstrations before, last year I think."

According to independent translations, the first of two leaflets tied to the balloons urged Christopher to press the Cambodian Government to promote democracy, human and judicial independence.

The second supported the king, expressed concern that Cambodia was in "extreme deterioration" and concluded by saying that "we... [ellipsis as published] do not follow the incitement of the Khmer Rouge."

#### **Government Plans To Draft National Security Law**

*BK2509121995 Phnom Penh PHNOM PENH POST in English 22 Sep-5 Oct 95 p 3*

[Report by Jason Barber]

[FBIS Transcribed Text] The government is planning a Security Act to introduce new measures against breaches of national security, including political crimes.

The law, which one foreign observer warned could be designed to clamp down on political dissent, is expected to be broad.

Minister of Information Ieng Muli suggested it could include a new crime of "genocide" for Khmer Rouge to be charged with, a new military justice code for government soldiers, and clear definitions of "national security" and "political stability" for the prosecution of journalists.



But the substance of the law, unlikely to be drafted for some time, has yet to be officially decided.

Muli said the law was necessary to prevent the incitement of violence against the government or constitution, or in support of the Khmer Rouge.

"First, we still have to fight the Khmer Rouge and we must not underestimate their strength, despite that they are weak militarily.

"They still have a lot of money and we have a lot of poor people. Those poor people can easily be tempted to take money and do something against national security."

Though the government already had legislation outlawing the KR [Khmer Rouge], he said a Security Act could introduce new charges such as genocide for captured guerrillas.

There could also be new provisions to punish soldiers who betrayed military secrets to the Khmer Rouge or foreign governments.

Muli expected the Security Act would also include definitions of "national security" and "political stability".

The new press law allows journalists to be punished for publishing articles which "affect" national security or political stability, but leaves both terms undefined.

Muli confirmed that journalists might be prosecuted under both the press law and the Security Act, but was adamant that freedom of expression would remain protected.

"If you read the newspapers, every day there is criticism against the government. I don't see in the future, even with the Security Act, that people will be put in jail just for criticism of the government."

Muli proposed that national security crimes be defined as acts which betray military secrets or incite war.

Offenses against political stability, meanwhile, could include inciting people to break the law to oppose the government or the constitutional monarchy.

On the constitution, he said people should be free to "form an opinion" that the constitution should be changed, but not to promote violence to change it. Muli defended the Security Act as part of the government's updating of its criminal, civil and military codes to replace former State of Cambodia law. There was nothing unusual about it, he said.

"I think in every country you have a security act, especially in this region."

Muli said he was only expressing his own thoughts on what could be in the law, not government policy.

The law was to be drafted by an inter-ministerial committee, primarily from the Interior and Defense Ministries. The main idea for the law came from the Interior Ministry, he said.

But Co-Minister of Interior Yu Hokkri said he had not thought about what should be in the law.

"We haven't brainstormed on this. It's too early. I think this is a plan but nothing much has been done on it as yet."

Minister of Defense Tie Banh said: "I don't know who is responsible for drafting that law, and I don't know what will be in it."

A foreign human rights lawyer, who would not be named, said there was no need for a Security Act.

The government already had a law against the KR, the press law and an adequate criminal code, he said. The "only ground left" uncovered by the government was "political crimes."

"The only thing left for them to do is to try to do something to deal with political dissent, and that's what this law would be designed for."

Repressive provisions such as preventative detention, censorship and restrictions on political parties could be in the law, if Cambodia followed the example of some neighbors. Malaysia's security law, for instance, allowed preventative detention and the general suspension of the rights of people accused of plotting national security crimes.

#### Prospects of Congress for Divided Party Viewed

BR2209142595 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 22 Sep 95 pp 1, 2

[Report by Meanop]

[FBIS Translated Text] The two prime ministers of Cambodia have agreed not to allow Samdech Son Sann [former leader of the Buddhist Liberal Democratic Party] and his group to hold a party congress and a seminar at the Olympic stadium on 1 and 2 October. This is because it could lead to violence and affect public order and political stability caused by those who oppose it. The two prime ministers wish that the Buddhist Liberal Democratic Party [BLDP] would solve its internal problem first and then hold a joint congress at the appropriate time.

In a letter dated 1 September to the two prime ministers, Ieng Muli [new BLDP leader] says "holding another congress could cause displeasure among the majority of members of the 9 Jul congress and clashes or violence affecting public order and security may take place." Ieng

Muli added that "If Samdech Son Sann really wants to resolve the problem, he should not hold another congress to oppose the BLDP's 9 July congress ... [ellipsis as published] he could start looking for ways to discuss with the party and its leaders how he can regain his membership withdrawn by the party on 5 August."

Based on Ieng Muli's letter, Samdech Hun Sen, second prime minister, wrote a message dated 4 September to the prince krompreah [First Prime Minister Norodom Ranariddh] saying that "if Samdech Son Sann holds the congress, this would affect security, public order, and political stability. Therefore, I believe the Interior Ministry should be given the task of informing Samdech Son Sann of the following reasons."

The congress is disallowed because "there was an objection by Ieng Muli, who was elected as party leader by the extraordinary 9 July BLDP congress" which also received the support of the prince krompreah and Samdech Hun Sen. There has also been an agreement to form a coalition government together after 1988.

Another reason given by Samdech Hun Sen was "to let the BLDP resolve its internal problem first. If this cannot be done, there is no other recourse than to wait for a legal decision. Then, the [congress] proposal could be considered."

Prince Krompreah Norodom Ranariddh sent a message dated 12 September to Samdech Hun Sen saying that "I fully agreed with the view of Samdech Hun Sen stated in the 4 September message." The prince krompreah said "the congress of Samdech Son Sann at this time could cause violence and clashes among the supporters of both sides. This will affect public order and seriously undermine political stability."

The prince krompreah also agreed that first there should be a solution to the internal conflicts of the party that has been split into two even before the joint congress is held.

A high-ranking Interior Ministry official said the Ministry has informed Samdech Son Sann and Ieng Muli that they should reach an agreement first before they will be allowed to hold the congress on 1 October. This official specified that "if the two groups are still in disagreement or are still split, permission will certainly not be given to hold the congress."

It is still remembered that when Samdech Son Sann called on the king in early September, the king asked Samdech Son Sann and Ieng Muli to be reconciled in order to serve the nation and the people. The death of Meas Chanleap was also meant to reunite the party.

Sieng Lapresse, BLDP general secretary of the Ieng Muli group, said that if there was a congress on 1 October, almost all the party members on his side will not attend and that there is no need for a congress, and that there should be talks instead."

The group supporting Samdech Son Sann considers the decision of the two prime ministers to ban the congress as imposing a condition on his group when the Ieng Muli group has already held its congress. This group has shown there is no balance in government's decision-making.

Observers think that reconciliation between Samdech Son Sann and Ieng Muli to move toward a joint congress may not be possible. However, this is what the situation demands. The question is how long the people will continue to be intransigent.

**Station Calls on Khmer Rouge Fighters To Return**  
*BK2209122095 Phnom Penh National Radio of Cambodia Network in Cambodian*  
1300 GMT 21 Sep 95

["Political commentary": "You Should Not Wait Until the Earth Gulps You Down"]

[FBIS Translated Text] A reliable source disclosed in early September that a top Khmer Rouge official wanted to dissociate himself from the Khmer Rouge since the end of his mission as its United Nations representative in 1992.

It is worth recalling that in November 1994, Sar Kim-lmut, another high-ranking Khmer Rouge official in charge of finance, also surrendered to the Royal Government. He confirmed that the Khmer Rouge did not care about negotiating to solve problems and that Pol Pot and Ta Mok [the much-feared one-eyed Khmer Rouge commander] were losing support from the intellectuals within the organization.

Sar Kim-lmut revealed that central Khmer Rouge authorities also banned senior cadres from leaving the country. As for the families of rebellious commanders staying overseas, they were summoned to return to the jungle.

It was reported that during the 1980's, at least 14 Khmer Rouge intellectuals broke loose and went into exile in France.

It is obvious that the Khmer Rouge has increasingly lost the support of the those within its ranks. The shake up has become more obvious since Pol Pot resorted to boycotting the May 1993 elections. Evidently, this was political suicide for the Khmer Rouge.

One still recalls that Son Sen — a standing member of the Central Committee and the defense minister of the Khmer Rouge — was dismissed in May 1992 because he wanted to push the Khmer Rouge party to implement every stage of the [Paris] accord. Son Sen was widely said to have been asked by Pol Pot to undergo political reeducation since June 1992. As for Ieng Sary, Pol Pot's right-hand man, he has lost all power since mid-1991 due to his denial of responsibility for the genocide between 1975 and 1979. He argued that as a foreign minister he only dealt with the international community.

THE NEW YORK TIMES, in its mid-August issue, however, quoted the statements of several American-Cambodians saying that in 1975, Ieng Sary lured many intellectuals in exile to return to Cambodia and that between 1975 and 1976, almost all of those pundits, including Hing Sokhom, a prominent Cambodian professor at New York University [words indistinct], were liquidated.

A few months ago, Pol Pot convened a meeting of his internal cadres. At the meeting, he put forth a new policy limiting private ownership to only when there is a real need. The policy was also enforced by the Khmer Rouge during its barbaric 1975-1979 regime. Khmer Rouge officials said the measures were designed to prevent widespread corruption within their ranks and to restrain their men from becoming aroused and from neglecting the guerrilla struggle.

Analysts believe that the move constitutes a return to the stern orders of the Polpotist group during its darkest era. Now, it is Pol Pot and Ta Mok who are at the helm of the Khmer Rouge. They are exerting strict and dictatorial control.

Heng Sarat, the political commander of the 900th Khmer Rouge division under Ta Mok's direct command, said between May and June this year, 11 to 15 of his men were killed on Ta Mok's orders because they secretly listened to a radio station in the jungle. Heng Sarat also disclosed that all military commanders had to present reports directly to Pol Pot and Ta Mok at meetings held near the Thai border, north of [words indistinct] every one or two months. This is another very important factor that has caused the inner Khmer Rouge circle to crack further, and especially their intellectuals to lose more confidence.

According to a reliable source, a group of senior Khmer Rouge cadres, including high-ranking officials [words indistinct] and 15 military officials, alluded in early April that it would surrender to the Royal Government.

While the serious and deep rift within the Khmer Rouge leadership is continuing, Yale University's investigation

is also being completed. So the armed compatriots who are serving the outlawed rebels and who will die for them are urged to repent and cut loose from the atheist evils. They are invited to return to join their wives and children to celebrate the Pchum Ben festival [the festival of the dead], according to our Cambodian custom. How terribly pained the souls of your grandparents and relatives will be when you are seen wielding arms for the purpose of returning to power the murderers who killed millions of your people. How strongly the souls of the people killed under the Pol Pot regime [words indistinct] will condemn those who are persistent in following Pol Pot. You are urged to return to the national community before the earth gulps you down.

#### **Rebels Accuse Vietnam of Controlling Mondolkiri**

*BK2509031095 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 24 Sep 95*

[Communique by the Spokesman of the Provisional Government of National Union and National Salvation dated 24 September; read by announcer]

[FBIS Translated Text] I. Foreign news agencies recently reported and confirmed that communist Vietnam has annexed Mondolkiri Province. Communist Vietnam is administering the whole of Mondolkiri Province. A Vietnamese administration at all levels has been set up, from the provincial down to village levels. Hundreds of thousands of ethnic Vietnamese have come and set up villages at will. Vietnamese come over to Cambodia daily like ants; there is no border. These ethnic Vietnamese have cut down trees with no qualms and truckloads of timber have been taken to Vietnam throughout the year. The Vietnamese currency, the dong, is being used and there are also Vietnamese schools. The whole of Mondolkiri Province is considered as Vietnamese territory. This is concrete evidence that communist Vietnam has been implementing its strategy to annex Cambodia through military and demographic war, and also through the consolidation of its administration at all levels.

II. Faced with this serious issue, the coalition government of Democratic Kampuchea, a legitimate government recognized by the United Nations before the Paris agreement in 1991, has repeatedly denounced and firmly demanded that communist Vietnam respect Cambodia's territorial integrity and return to Cambodia tens of thousands of square kilometers of territory, including Mondolkiri Province, that it has annexed.

The 23 October 1991 Paris agreement also clearly stated that communist Vietnam should respect Cambodia's sovereignty and territorial integrity as set out on the



1:100,000 map and solemnly recognized by the international community before 1970. However, communist Vietnam, UNTAC [UN Transitional Authority in Cambodia], and the alliance destroyed the Paris agreement; they destroyed the four-party national reconciliation and instead kept a two-party grouping. They organized a shady election, giving birth to a two-headed government, which they used as their exclusive tool to continue fueling communist Vietnam's war aimed at killing the Cambodian nation and people.

Communist Vietnam's strategy is to promote the continuation of the war so that millions of ethnic Vietnamese flow into and annex Cambodia. Chunks of territory, sea, and islands in eastern Cambodia have been annexed. Communist Vietnam's strategy is to order the two-headed government and the one-eyed Hun Sen to think only about war so as to destroy national reconciliation and peace. They also want them to be taken up with conscripting soldiers and militiamen to attack the Cambodian nation and people in western Cambodia so that communist Vietnam can annex the eastern part of the country.

III. The Provisional Government of National Union and National Salvation [PGNUNS] vehemently condemns this great criminal act to annex Mondul Kiri Province and territory in eastern Cambodia. This act not only seriously violates Cambodia's sovereignty and territorial integrity but also represents the concrete and systematic implementation of communist Vietnam's strategic policy of exterminating the Cambodian race to make the whole of Cambodia a Vietnamese province. This is part of the Indochinese federation strategy of the late Ho Chi Minh.

Faced with the great danger of losing the country and having the race exterminated, the PGNUNS would like to again appeal to the entire Cambodian nation and people, in rural areas, in Phnom Penh, and abroad, to continue and intensify the struggle through all means everywhere so as to quickly end communist Vietnam's war and achieve national reconciliation, thereby providing peace and a sufficient national force to resolve all big and small problems, including the issue of the territory, maritime areas, and islands that have been annexed by Vietnam.

The entire Cambodian nation and people and the PGNUNS would like to appeal to peace- and justice-loving countries and people in the region and in the world to use their influence to force communist Vietnam to respect Cambodia's sovereignty and territorial integrity in accordance with international law and the UN Charter.

24 September 1995

The PGNUNS Spokesman

## Indonesia

**East Timor Youths Seek Asylum at British Embassy**  
*BK2609035795 (Internet) INDONESIA Listserv in English 26 Sep 95*

["TAPOL Report" dated 25 September]

[FBIS Transcribed Excerpt] Five East Timorese entered the British embassy in Jakarta today and asked the British authorities for asylum.

We have no idea of their situation or the response of the British authorities but for the time being here is the biodata of the five men, following by their Petition. [passage omitted — personal biographies]

To the Embassy of Great Britain

Monday, September 25, 1995

### I. Introduction

Honoured and respected Ambassador and officials of this embassy, we come to you in the name of the youth of East Timor who live under Indonesian military occupation and constant threat to their lives and well-being. We request your protection in the sincere belief that the government of England holds in high regard the value and dignity of human life in accordance with the Universal Declaration of Human Rights.

We come to you as witnesses to the Indonesian military brutality which since December 7 1975 has become a fact of every day life in East Timor — a military brutality which has consisted of sudden arrest, rape, intimidation, terror, and slaughter of the kind the world witnessed on 12 November 1991 in Dili, a military brutality which has robbed us of the right to an education, has made us prisoners in our own country, and has now forced us to leave our beloved homeland and our families and friends.

We are here today, therefore, not as youths seeking adventure or a free trip out of this country (as no doubt the Indonesian Government will attempt to convince you of in the days to come), but as persecuted individuals who fear for our lives. We trust that the Government of England will assist us with our bid for political asylum, in accordance with International Law and the Universal Declaration of Human Rights, Article 14, Clause I of which states that "every human being has the right to seek and be granted refuge in another country for the purpose of avoiding persecution." Article 15, Clause I of the same Declaration states that "every person has the right to citizenship," and Clause II "no human being

may be arbitrarily denied citizenship of a country or be refused their right to alter their citizenship."

## II. Background

In order that you may be aware of the reality of East Timor and our situation, we would like to inform you of the following facts:

After losing our beloved friends on November 12, 1991 (many died immediately in front of the St. Cruz Cemetery, many in the hospital, many of them were arrested, and most of them disappeared) and for the purposes of protesting against the abuses of human rights taking place in East Timor, against the use of "divide et impera" tactics and operations such as those recently conducted by the Ninjas [local armed men allegedly sponsored by the Indonesian Army], we resolved to continue this struggle and to fight against the abhorrent political tactics and attitudes of the Indonesian military up until the time we left East Timor in July 1995.

Between November 12 1991 and the time we left East Timor, we have seen our people forced into hiding for fear of capture and imprisonment, as has happened recently with Sabalae, Rimisio, and others. Others have been shot dead as happened during the Liquica incident, in Walaikama (Baucau), and in other places but which nobody knew about. The victims are everywhere, all over the territory, but out of fear, fail to protest to the local authorities. The East Timorese people have been economically marginalised due to the influx of Indonesian immigrants who occupy the most fertile zones and who dominate the economy and business opportunities. Employment within the civil service is monopolised by migrants from other provinces. Therefore our people are growing poor. The young people are exiled, sent to work in Indonesia, with false promises of skills training, schooling, employment, social welfare, and so on.

Such a situation is what has pushed us to act against the violations committed by the Indonesian military in our homeland. The consequences of such involvement are that we are pursued by the SGI [expansion unknown] and by the East Timorese mobilised by the Indonesian military as spies or informants. And even today, our families are being pressured physically and psychologically by the intelligence to reveal our whereabouts. So we are constantly on the run, moving from place to place to evade arrest.

We five, today present in the Embassy, have experienced directly the atrocities of the Indonesian military. Two of us were captured, imprisoned, and exiled after the Santa Cruz massacre. They forced us to cooperate

with them to be their informants, and we were forced to report weekly. Three of us managed to escape, but nonetheless continue to be pursued by the SGI. This situation has robbed us of our freedom to grow up as other young people in other parts of the world, and we feel we have no future.

To save our lives and to escape the bleak future which threatens to overcome us and our people, we have opted to seek political asylum in this embassy. We are fully aware of the diplomatic repercussions which our request for political asylum will have for you and your government in relations with Indonesia. However, in the interests of truth, justice, the upholding of international law and human rights conventions, in addition to our own personal safety, we strongly appeal to you to give due consideration to our request and to act in a spirit of democracy and freedom to defend our rights as prescribed in the Universal Declaration of Human Rights.

## III. Petition

In the interests of upholding the true meaning of the UN Declaration of Human Rights and of defending peace and freedom, justice and truth in East Timor, we request the following:

1. The implementation of all of the resolutions or joint resolutions stated in the tri-party dialogue (between Indonesia and Portugal) under the auspices of the United Nations secretary general, specifically the nine points contained in the declaration of the all-inclusive intra Timorese dialogue, signed in Burg-Schlaining, Austria.
2. The unconditional release of all East Timorese political prisoners, including the East Timorese resistance leader, Jose Alexandre Xanana Gusmao.
3. The inclusion and involvement of East Timorese leader, Xanana Gusmao, in negotiations towards a settlement of the East Timor problem, and specifically in future intra-Timorese dialogues.
4. Peace, freedom, justice, and truth, as the ideals to which all human beings aspire.

In the name of the peace-loving and martyred people of East Timor, we thank you for your kind attention.

Jakarta, September 25, 1995

Signed by the petitioners:

1. Joaquim Antonio Alim
2. Antonio Baptista Sequeira
3. Timoteo
4. Egas Soares
5. Nelson Turquel

**British Official on Status**

*BK2509131695 Hong Kong AFP in English  
1246 GMT 25 Sep 95*

[FBIS Transcribed Text] Jakarta, Sept 25 (AFP) — Five East Timorese activists sought asylum at the British embassy Monday, saying they feared reprisals by the Indonesian authorities, in the second such incident at a western diplomatic mission in Jakarta in less than a year.

"We have received their request for asylum and we are considering it. We have sent it to London for consideration," the embassy's second secretary, John Virgoe, told AFP.

The five will "most likely" spend the night in the embassy, he said.

The youths walked into the building at around 11:30 a.m., and asked for asylum, identifying themselves as Joaquim Antonio Lia, 24, Batista Ciceira, 24, Egas Soares, 25, Nelson Turquel, 22, and Timotio Jose Fernandes, 23, he said.

"We come to you as witnesses to the Indonesian military brutality which since December 7 1975 has become a fact of everyday life in East Timor," the five said in a three-page petition to the embassy.

The petition also called for action flowing from a dialogue between Indonesia, Portugal and the United Nations on the enclave's crisis. It also demanded implementation of an agreement between East Timorese factions, reached in Austria in July, to promote contact under UN sponsorship.

It also demanded the unconditional release of all East Timorese leaders, including Jose Xanana Gusmao, the jailed leader of the Fretilin armed resistance movement who is revered by many young East Timorese.

Gusmao was detained by the Indonesian authorities in November 1992. The following year he was jailed for life, a term subsequently reduced to 20 years by President Suharto.

Embassy staff expelled journalists who were trying to interview the five youths from the embassy compound.

A document obtained by AFP from pro-independence East Timor supporters in Jakarta cited what it described as personal statements from the five asylum-seekers.

Lia, Soares, Fernandes and Turquel said they had taken part in the demonstrations of November 12 1991 at the Santa Cruz cemetery in which at least 50 people were killed when Indonesian soldiers opened fire on an unarmed crowd.

Soares told AFP: "I was involved in organizing a mass demonstration in East Timor and took part in the demonstration in (front) of the Mahkota Hotel during the visit of (foreign) journalists in East Timor."

East Timorese youths demonstrated in front of the Mahkota Hotel in Dili in April last year while several foreign journalists were in town.

"My friends were arrested but I escaped," Soares said, adding that he had been in Jakarta for about one month.

Timoteo said in the document that his parents were killed by Indonesian forces in Los Palos in eastern East Timor and alleged he had been tortured at the hands of the Indonesian military in 1990.

Seven East Timorese youths who failed to seek asylum at two Scandinavian embassies, the Swedish and the Finnish, here in June 1993, left six months later for Zurich where they transited before heading to Lisbon.

In November last year, 29 East Timorese youths stormed into the US embassy compound to demand political asylum while a summit of the Asia-Pacific Economic Cooperation (APEC) forum was underway here. They were later allowed to leave for Portugal.

Their gesture grabbed the headlines of the world's media, and was widely viewed as a severe embarrassment to Suharto.

Indonesian troops invaded East Timor in 1975 and Jakarta unilaterally declared the area its 27th province in 1976. The United Nations continues to regard Lisbon as the administering power there.

A pro-independence East Timorese movement has since waged armed and underground resistance against the Indonesian presence in the former Portuguese colony.

Some 200,000 people of a population of 800,000 have died from political violence, malnutrition or disease since the takeover, according to some estimates by watchdogs. The figure is strongly disputed by Jakarta, which says the number of deaths is around 20,000.

**Jakarta Pledges No Action**

*BK2609100295 Hong Kong AFP in English  
0928 GMT 26 Sep 95*

[FBIS Transcribed Text] Jakarta, Sept 26 (AFP) — The Indonesian authorities said Tuesday they would not prevent five East Timorese activists, who sought political asylum at the British Embassy here Monday, from leaving the country.

"If they realize that they have made a mistake, and they want to return to their home villages, nothing will



be done to them. If they want to leave Indonesia they will also not be hindered," Foreign Ministry Spokesman Irawan Abidin told AFP.

The embassy's second secretary, John Virgoe, told AFP Tuesday that "the situation is very much the same as it was yesterday." He declined to give details on the conditions of the five or whether the mission provided them with food and drinks.

Embassy staff said Monday the five were in the embassy's main lobby where they have access to water.

A wooden board was Tuesday fixed on the grills of the embassy's gate, preventing outsiders from peeking into the compound, witnesses said. About 30 plainclothes and uniformed police were also seen in front of the embassy.

Abidin said earlier Tuesday that the group were "just making up stories," when asked by AFP about their claims of fear of persecution.

The official Antara news agency quoted Irawan as saying, "We deeply regret their attitude. It is very clear that they are only seeking attention so that the issue of East Timor is kept alive."

He said the five were not under any political persecution and were not living "under pressure."

An East Timor-born member of the National Commission on Human Rights, Clementino dos Reis Amaral, said he knew one of the asylum-seekers, 23-year-old Timoteo Jose Fernandes, the MEDIA INDONESIA daily said.

"As far as I know, Timoteo has been in Jakarta for some time and he has been free to go wherever he wanted. Why did he suddenly feel insecure?" Amaral asked.

The five — Joaquim Antonio Alim, 24, Antonia Batista Sequeira, 24, Egas Soares, 25, Nelson Turquel, 22, and Timoteo — walked into the embassy on Monday on the pretext of seeking information about Britain. Once inside they requested political asylum.

The East Timorese pro-independence movement has waged armed campaign against Indonesia since Jakarta invaded the former Portuguese colony in 1975 and annexed it one year later. The United Nations still regards Lisbon as the administering power.

In Lisbon, an East Timor resistance spokesman called on Portugal to grant asylum to the five activists in the British Embassy.

In a statement to Portuguese TSF radio, Jose Ramos Horta said their actions "bear witness to the regime of terror which exists (in East Timor)."

Soares, one of the asylum-seekers, told journalists on Monday the group had a "variety of problems" with the Indonesian authorities, citing membership of Clandestine, the pro-independence underground movement, the organizing of demonstrations and acting as courier for local guerrillas.

British diplomats said the request for political asylum had been referred to London.

It was the third time in 26 months that East Timorese have sought political asylum at foreign embassies in Jakarta.

Seven East Timorese entered the Swedish and Finnish missions here in July 1993. They were allowed to leave for Portugal in December that year.

Twenty-nine East Timorese left for Portugal last November, several days after they climbed into the U.S. Embassy compound to demand asylum while a summit of the Asia-Pacific Economic Cooperation (APEC) forum was underway here.

#### Government 'Regrets' Request

BK2609014595 Jakarta Radio Republik Indonesia  
Network in Indonesian 0000 GMT 26 Sep 95

[FBIS Translated Text] The Department of Foreign Affairs regrets the attempt by five East Timor youths who have been at the British Embassy in Jakarta since yesterday afternoon to seek political asylum from the British Government. Irawan Abidin, director general for foreign information in the Department of Foreign Affairs, said in Jakarta yesterday that the five East Timor youths clearly do not qualify for political asylum and are merely seeking publicity to keep the East Timor issue alive.

Meanwhile, British Embassy information chief John Virgoe said the British Embassy has relayed the request of the five East Timor youths to the British Foreign Office in London.

#### Increased Military Presence in E. Timor Reported

BK2409102495 Hong Kong AFP in English  
0952 GMT 24 Sep 95

[FBIS Transcribed Text] Jakarta, Sept 24 (AFP) - An Australian-based pro-independence group for East Timor claimed in a statement Sunday that the Indonesian military had stepped up its presence in the territory in the wake of violent religious conflicts this month.

The National Council of Maubere Resistance (CNRM), in a statement sent to AFP here, said that on September 11 a navy ship "unloaded two battalions of commandos

in Dili. They were immediately deployed in the streets of the city."

CNRM's members include vocal pro-independent activist Jose Ramos Horta.

The statement also said that on September 18 "a huge three day military exercise was staged in Aileu, led by President Suharto's son in law Col. Prabowo."

Army spokesperson Brigadier General Hadikarso, however, denied the increased military presence in East Timor.

"That is absolutely untrue," Hadikarso told AFP when asked about the September 11 deployment.

He also said that there could not have been military exercises on September 18.

"There may have been a civil defense exercise at that time, which would have been under the auspices of the regional government, but why would the military do exercises in Dili?" Hadikarso said.

Hadikarso also pointed out that the military earlier this month had started withdrawing two battalions from the area, leaving five others or about 3,000 to 3,250 men.

Many observers have said, however, that the military presence in East Timor is much higher than the official numbers.

A source here said that Colonel Prabowo was in East Timor last week and goes there on a regular basis. The source, however, was skeptical about Prabowo being there for a military exercise.

Earlier this month hundreds of youths, mainly high school students, were involved in protests over insults against Roman Catholicism allegedly made by a migrant Moslem jail warden.

The authorities and various other sources in Dili denied reports in Portugal, the former colonial power, that there were deaths in the demonstrations. But witnesses said at least 16 civilians were seriously injured and six police were also hurt in the unrests.

Protesters burned down Dili's Comoro market as well as stalls mostly owned by migrant traders, and cars and motorcycles in other parts of town. About half a dozen mosques were also burnt by angry demonstrators.

Up to 800 non-Timorese, mostly Moslems, living in the troubled areas have left East Timor in the wake of the unrests.

Adang Ruchiatna, head of the Bali-based Udayana military command which covers East Timor, said earlier this month that about 80 people had been "summoned, detained and questioned" over the unrest.

The CNRM release said that it had the names of 27 of the detainees, and called for human right bodies to "ensure these people are treated in accordance to accepted standards."

Roman Catholicism is the dominant religion in the former Portuguese colony annexed by predominantly Moslem Indonesia in 1976.

The National Human Rights Commission (Komnas HAM) currently has a team in East Timor to investigate the religious conflicts.

#### **E.Timor Resistance Issues Statement on Military**

**BK2509043495 (Internet) INDONESIA Listserv in English 24 Sep 95**

["Media Release" issued by the National Council of Maubere Resistance on 24 September; place not given]

[FBIS Transcribed Text] East Timorese sources inform of important arrivals of Indonesian troops in the territory's capital Dili, following uprisings on September 9-16 in protest against increasing religious harassment, and growing pressures by Indonesian colonisers on the local population.

On 11 September an Indonesian navy ship unloaded two battalions of commandos in Dili. They were immediately deployed in the streets of the city, and are now based at Taibessi, the former Portuguese military headquarters. The same ship brought four military trucks loaded with huge equipment cases bound to Aileu.

Only two weeks ago, with much publicity, Indonesia announced the removal of two battalions from the territory. CNRM [National Council of Maubere Resistance] has for a long time denounced that Indonesian claims of troop withdrawals are not credible. Troop removals are merely personnel rotations.

On 18 September, a huge three day military exercise was staged in Aileu, led by President Suharto's son in law, Col. Prabowo. Several hundred East Timorese conscripts were made to take part in this exercise.

It is suspected the East Timorese are being trained to take part in a new military offensive planned to start in October.

Given the Indonesian military's failure so far to control the East Timorese Resistance, since early this year a new Indonesian army strategy has been evident, namely to localise the conflict by recruiting East Timorese through coercion or financial inducement. CNRM has already reported several times on the recruitment of thugs to serve in the 'ninja' groups that terrorise the civilian population. This reckless policy of pitting East

Timorese against East Timorese is highly damaging for future peace and harmony in the already profoundly traumatised territory.

Meanwhile a list of 27 names of people detained following the September 8-16 uprising in East Timor has been released by the East Timor Centre for Human Rights Information, Education, and Training. In an 'Urgent Action' appeal to international human rights protection bodies, the Centre asks for support and intervention from relevant agencies, to ensure these people are treated in accordance to accepted standards. The communication adds "According to separate reports received, and consistent with habitual practice, the detainees are said to be subjected to torture. It is also common practice by Indonesian authorities to arbitrarily arrest people, torture them, and then force the victims to sign confessions acknowledging acts they have never committed".

#### **Defense Minister 'Still Studying' F-16 Offer**

*BK2209115995 Jakarta ANTARA in Indonesian*  
*0934 GMT 22 Sep 95*

[FBIS Translated Text] Jakarta, 22 Sep (ANTARA)—Indonesia is still studying the U.S. offer to sell F-16 jet fighters, as presented by Admiral William Owens, deputy chief of the U.S. Joint Chiefs of Staff, when he paid a courtesy call on President Suharto in Jakarta recently.

"We have not decided to buy the F-16's offered by the United States. We are still studying the offer," (retired) General Edi Sudrajat, defense and security minister, told reporters at the 1995 ABRI [Armed Forces of the Republic of Indonesia] exhibition at Hall A of the Jakarta Fair on Friday.

Speaking to reporters on a separate occasion, Lieutenant Gen. Suyono, chief of the ABRI General Staff, also said the same thing, but he noted that ABRI had made plans regarding the purchase of the sophisticated jet fighters a long time ago.

"We have made plans to buy either F-5's or F-16's. It all depends on the Indonesian Air Force's needs, but we are still studying the U.S. offer of F-16's," he said.

Indonesia now has 11 F-16 jet fighters, and Lt. Gen. Suyono noted that the country still needs more jet fighters to strengthen its Air Force.

#### **Nine planes**

"We need about nine more jet fighters, but it all depends on the Air Force's needs. Therefore, we have not given our commitment to buy the F-16's offered by the United States," he added.

Speaking to reporters after he held talks with President Suharto at the Bina Graha presidential office on Tuesday (19 September), Adm. Owens said President Clinton wants to foster cooperation in all fields with Indonesia, which includes the sale of F-16's. Adm. Owens said the Pentagon has plenty of opportunities to sell F-16's to many countries in the world.

However, despite the offer, Defense and Security Minister Edi Sudrajat maintained that Indonesia is still studying it, so it cannot give a definite answer to the Pentagon.

"We will make our decision after studying all of the details related to the plan to buy the F-16's," the minister said.

#### **Canberra Military Chief: Groups Disrupting Ties**

*BK2209104895 Jakarta ANTARA in Indonesian*  
*1537 GMT 21 Sep 95*

[FBIS Translated Text] Jakarta, 21 Sep (ANTARA) — General J.S. Baker, Australian Armed Forces commander, said certain groups are still trying to disrupt the existing cordial ties between Australia and Indonesia.

"I admit that there are efforts to disrupt the cordial relations. The Australian government, people, and Armed Forces will not turn a blind eye to this activity and allow it to happen," said Gen. Baker when he paid a courtesy call on ABRI [Armed Forces of the Republic of Indonesia] Commander Gen. Feisal Tanjung at the ABRI headquarters in Cilangkap, Jakarta, on Thursday.

In this connection, Gen. Baker promised to make efforts to neutralize those who want to disrupt cordial relations between the two countries. "There is no other cooperative ties more important than that between Indonesia and Australia. I will do my best to further enhance the existing cordial relations," he said.

Meanwhile, Gen. Feisal Tanjung said that if there are very important things that need to be discussed by the two sides, they should immediately be done via telephone or through the defense attache of the two countries. Continued coordination is needed to avoid misunderstanding.

"As good neighbors living in the same region, the existing cordial relations must be cherished and expanded so as to turn the region into a zone of peace, freedom, and neutrality," said the ABRI commander.

During their stay in Indonesia, the Australian armed forces commander and his wife will also visit Bandung.



**Leading Role in ASEAN Free Trade Urged**

BK2609025295 Jakarta KOMPAS in Indonesian  
23 Sep 95 p 4

[Editorial: "As the Pillar of ASEAN, the Republic of Indonesia Must Set an Example in the Realization of Free Trade" — italicized passages published in English]

[FBIS Translated Text] Whatever the results of the European-East Asian Economic Forum held in Singapore from 20 to 22 September, the forum will prove an important historical landmark of economic and political cooperation between Asia and Europe. For two days about 700 leaders, officials, and businessmen from 48 countries discussed the agenda of the first Asian-European meeting [Asem] to be held in Bangkok, Thailand from 1 to 2 March 1996.

Asem will be attended by seven ASEAN members (Indonesia, Malaysia, Brunei Darussalam, the Philippines, Singapore, and Vietnam) as well as Japan, China, and South Korea as Asian representatives. All 15 European Union leaders and the chairman of the European Commission will represent Europe in the summit meeting.

As far as we know, there remain differences over the format of the summit meeting. The Asian group wants the summit meeting to be informal without any structured agenda. All leaders are expected to be free to discuss anything. However, the European group wants the first ASEM to be formal and expects the two sides to be formally committed to economic and political issues.

The differences became less important when several leaders presented several working papers that in essence call for the enhancement of economic and political relations between the two continents during the forum, which is themed *New Convergence Between Europe and East Asia*.

In a speech, Singapore Prime Minister Goh Chok Tong stressed the need for strengthening the "bridge" between two continents. The European group published a working paper — *Asia Strategy* — that in essence calls for the creation of free trade and economic and political cooperation between the two continents.

EU Commissioner Leon Brittan admitted that Europe should give greater attention to Europe than to other continents. According to Norwegian Prime Minister Gro Brundtland, Asia needs European experience in managing political priorities, particularly those related to economic development that sustains the environment.

Singapore Senior Minister Lee Kuan Yew urged European countries to become partners in promoting the economic growth of East Asia, which will in turn benefit themselves. President Suharto, who is chairman of the

Nonaligned Movement and former APEC [Asia-Pacific Economic Cooperation] chairman, urged regional trade organizations in Asia and Europe to open their markets to one another and even to non-members.

According to Prime Minister Brundtland, there have been considerable opportunities for Asia and Europe to undertake economic and political cooperation. Dozens of mega cities in Asia will need European expertise in designing modern transportation.

Asians, who will have a higher life expectancy and a higher quality of health, will need the services of the best medical institutions in Europe. This is just a minor part of the potential economic cooperation. Of course, more projects could be explored.

Economic cooperation between Asia and the Americas has been manifested through APEC. Next year, Asem will launch economic cooperation between Asia and Europe. There is a new phenomenon in international economic relations. Countries tend to move toward regional economic integration to pave the way for the creation of free trade areas.

German Chancellor Helmut Kohl and Canadian Prime Minister Jean Chretien, who are supported by a number of European leaders, are campaigning for the creation of the Trans-Atlantic Free Trade Area [TAFTA] between Europe and the Americas. Trade liberalization under TAFTA will supplement NAFTA, which is being created by the United States, Mexico, and Canada. APEC, ASEM, NAFTA, or TAFTA will lead to global economic liberalization under the World Trade Organization [WTO]. In the 21st century, the emphasis in international economic relations will definitely be economic rather than political.

An interesting question arises: Are we ready for the new era? We know, for example, that Indonesian officials and businessmen have not unconditionally agreed that the implementation of the ASEAN Free Trade Area [AFTA] should be brought forward from 2003 to 2000.

In our opinion, their attitude is a step backward, one which has been deeply deplored by our partners in ASEAN. Of course, we are all concerned at the development. This notwithstanding, Indonesia as the pillar of ASEAN must set an example for other members in all undertakings, including efforts to accelerate the process of global trade liberalization.

**Suharto on Ties With Businessman Liem Sioe Liong**

BK2509105695 Jakarta KOMPAS in Indonesian  
25 Sep 95 p 1

[FBIS Translated Excerpt] Tapos, KOMPAS — President Suharto discussed the Bogasari Company which

oversees the supply of flour and cement; he explained the trade monopoly, and collusion charges on Sunday, 24 September. "These are the commodities that are currently said to have been monopolized by a certain group only. People do not understand the actual situation. There is no collusion between Uncle Liem (Liem Sioe Liong) [prominent businessman] and me. No, it is something else. The company's function is to serve the interests of the nation and the people," he said.

President Suharto humorously explained his relationship with Liem Sioe Liong or Sudono Salim (79) [his Indonesian name], at a meeting with about 150 participants in the upcoming third national symposium for small- and medium-sized business operators at his ranch in Tapos, Bogor.

Liem plays an important role in the development of the PT [company limited] Bogasari Flour Mills and the PT Indocement Tunggul Perkasa cement industry. People have always claimed that the two companies are utilizing many government facilities, and are the holders of market monopoly licenses for cement and flour.

President Suharto attempted to explain the situation of the flour and cement trade, as well as the position of the two giant companies and his relationship with Liem Sioe Liong. However, he said that many people understand the truth about this matter, but they misrepresent it, making it into a political issue.

Subiarto Cakrawardaya, minister of cooperatives and the education of small businessmen, several banks directors, and big businessmen also attended the meeting. Vice President Try Sutrisno is expected to open the third national symposium for small- and medium-sized business operators at the South Merdeka Palace, Jakarta on Monday, 25 September. After his briefing, President Suharto accompanied his guests on a tour of the ranch. [passage omitted]

## Laos

### Third Border Meeting Held With Thai Subcommittee

BK2209142695 Vientiane KPL in English  
0930 GMT 22 Sep 95

[FBIS Transcribed Text] Vientiane, September 22 (KPL)—The Lao and Thai border security joint sub-committees on September 20 held their third meeting for 1995 in Khon Kaen Province, northeastern Thailand.

Under the co-chairmanship of Brigadier General Douangchai Pichit, vice-director of the General Staff Department of the Lao People's Army and chairman of the sub-committee on the Lao side, and Lieutenant General Phairot Nutsaya, director of the Directorate of

Joint Military Operations of the Kingdom of Thailand and chairman of the sub-committee on the Thai side, the meeting reviewed the implementation of the minutes of the previous meeting and informed each other of the situation along the border.

The two sides noted that over the past three months the fraternal and neighbourly cooperation between Laos and Thailand had seen gradual development. Two sides made regular contact. All mechanisms of security and order keeping along the border at all levels have fulfilled their duties. The border security has mainly improved. Movement across the border has mainly been done through border checkpoints. However, there were a few cases of illegal immigration and smuggling conducted by common people and even by officials.

As far as bad elements who are hiding and operating along the border for the sabotage of the good relationship between Laos and Thailand are concerned, the two sides will continue their search and suppression. Such undesirable events taking place on the soil of a side that side is responsible for the events. And they must be settled immediately.

The two sides will conduct joint aerial and land inspection operations over Laos' Boten District, Sayaboury Province, and Thailand's Chatrakarn District, Phitsanulok Province as of October 1995.

The Thai side plans to invite a sport team and an art troupe of the General Staff Department of the Lao People's Army to play and perform in the military zones 2 and 3 in Thailand.

### UN Disaster Committee on Flood Relief Needed

BK2509123195 Vientiane KPL in English  
0909 GMT 25 Sep 95

[FBIS Transcribed Text] Vientiane, September 23 - (KPL) The immediate relief need for Laos affected by the recent floods is estimated at 200,000 tons of rice, said Mr. Gerard Le Claire, head of the United Nations Disaster Assessment and Coordination Team, to local journalists at a press conference held at the UNDP Office in Vientiane yesterday afternoon.

The team has assessed that there are 400,000 people in 1,500 villages of 39 districts affected by floods.

In response for the call for aid by the Lao Government, the Geneva-based United Nations Department for Humanitarian Affairs has dispatched this assessment team to Laos. The team will report the damages caused by floods to the department and to donor community in a bid to convince them for further relief.

Mr Gerard Le Claire is accompanied on the mission to Laos by Mr. Markus Lechner from Austria, Mr. Per Widlundh from Sweden, and Mr. Joseph Bishop from the United Kingdom of Great Britain and Northern Ireland.

In the conference, Mr. Gerard Le Claire expressed concern for health of people in the flooded areas to be affected by diseases, especially Malaria, after floods, and by contaminated water from open wells. Therefore people are advised to drink boiled water.

The longer term need will include mosquito nets and kitchen sets, and the repair of infrastructure, including irrigation and roads. The priority of the assistance will be given to villages which suffer most damage.

While here, the team went on inspection to the districts of Sayaboury, Nongbok, Se Bang Fai, Hinboun, Mahasai, Tha Khok, Pak Kading, Paksan, Bolikhan, Thaphabat, Hataisong, Saisetha, Thoulakhom, and Phonhong in the provinces of Vientiane, Bolikhamsai, Khammouane, Savannakhet, Champassak, and Vientiane prefecture.

At the end of the conference, the UNDP residence representative to Laos, Mr. Jan Mattsson, also expressed thanks for the Ministry of Labor and Social Welfare for good cooperation. Thanks also went to the Lao West-coast Helicopter for the flying of the UN assessment team to different flooded areas for free of charge.

The team arrived here on Monday and departed home today.

#### **NTA Briefs Correspondents on Tourism Industry**

*BK2209151795 Vientiane KPL in English  
0942 GMT 22 Sep 95*

[FBIS Transcribed Text] Vientiane, September 22 (KPL)—Last night the National Tourism Authority (NTA) of the Lao P.D.R. [Lao People's Democratic Republic] in cooperation with Silkair hosted at the Belvedere Hotel a reception for 17 journalists from nine countries.

Today these journalists who are from Australia, Canada, Germany, Japan, Malaysia, New Zealand, Singapore, Switzerland, and the U.S.A. set off for Luang Prabang, one of the best tourist attraction in northern Laos. While there, they will call on the governor of Luang Prabang to learn the direction of the province pertaining to tourism, tourism promotion, ways of protection and preservation of this city, and preparations for the proposal of Luang Prabang to be world heritage.

The Lao Government plans to propose Luang Prabang as a world heritage to UNESCO.

In his address welcoming the guests, Mr. Phonsouk Khounsombat, NTA director, said that since 1989, tourism in Laos had been promoted and expanded. Businesses which are related to and support tourism have been developed. At present, the number of rooms at hotels and guest houses rises to 2,968. 20 foreign and domestic tour companies have been authorized to operate in the country. Last year, Laos welcomed 150,000 foreign tourists. This year, the number of foreign tourists is expected at 200,000. The average rate of annual growth of tourist arrivals is between 25-30 percent.

After returning from Luang Prabang, the journalists are scheduled to attend a lecture on tourism in Laos to be held at the Belvedere on September 24.

Last year, the NTA also organized such an educational trip to Laos in promotion of tourism to the country.

Silkair, Singapore regional airline, will open two flights a week between Singapore and Vientiane in early November.

#### **Thailand**

##### **Wimon Urges General To Be 'Calm' on Reshuffle**

*BK2609044595 Bangkok BANGKOK POST  
in English 26 Sep 95 pp 1, 8*

[Report by Watsana Namuan]

[FBIS Transcribed Text] Army Chief Gen Wimon Wangwanit, has appealed to Gen Phaibun Lamphan to "remain calm" over the reshuffle list, a source said yesterday.

The list reportedly overlooks the Deputy Commander-in-Chief for the top post, and he was reported to be "stunned" to learn this.

Late last week it was reported that Defence Minister Gen Chawalit Yongchaiyut had made some changes to the list, one of which was to nominate Gen Phaibun to succeed Gen Prasert Sararit as defence permanent secretary.

In an earlier list proposed to Gen Chawalit by Gen Wimon, who retires at the end of the month, Phaibun was reportedly promoted to Army chief.

Gen Wimon and Gen Phaibun are former members of Class Five at Chulachomklao Military Academy.

A close aide to Gen Phaibun said the general might ask privy councillor Prem Tinsulanon to intervene.

But the source said Gen Wimon had asked Gen Phaibun when they met personally not to take action on the matter for this might bring about a "bad image".



"If we compete for the post, people might think we want power. So it's better to be silent," Gen Wimon was quoted as telling Gen Phaibun.

Gen Wimon also asked Gen Phaibun to "wait and see", since the situation might change in his favour.

The list had yet to be approved by Prime Minister Banhan Sinlapa-acha, it was pointed out.

But Gen Wimon was believed to be confident that Mr. Banhan would uphold Gen Chawalit's decision, as his New Aspiration Party is the second largest in the coalition after Chart Thai.

Four former members of Chulachomklao Class Five — Gen Wimon, Gen Phaibun, Assistant Army Chief Gen Anuphap Songsunthon and Army Chief of Staff Gen Suthep Siwara — met for over an hour at Army Headquarters yesterday to discuss the matter.

The list adopted by Gen Chawalit is said to propose Armed Forces Chief of Staff Gen Pramon Phalasin for Army commander.

Gen Pramon is a close associate of Gen Chawalit.

There was no movement at Gen Prem's Si Sao Thewet home yesterday, as the privy councillor had returned from China late Sunday night and might need a day to rest, sources said.

Supreme Commander Gen Watthanachai Wutthisiri said Defence Minister Gen Chawalit had the authority to make changes to the list and all military personnel had to accept these changes after endorsement by His Majesty the King.

He also believed there would be "no big changes" to the list.

Gen Chawalit refused to answer reporters' questions, pointing out testily that he had been asked the same questions for about a month.

He insisted there was "nothing to worry about".

But he denied that he had interfered with the military shake-up to establish his political base, saying he always "clings to principle".

#### **'Informed Source' Cited on Military Reshuffle**

BK2609041695 Bangkok THE NATION in English  
26 Sep 95 pp A1, A2

[FBIS Transcribed Text] The annual military reshuffle list is expected to be announced today, after Prime Minister Banhan Sinlapa-acha had an audience with HM [His Majesty] the King yesterday to seek Royal approval, an informed source said.

The source quoted Banhan as saying that there was no change in the list proposed by the armed forces through the Defence Ministry.

Latest media speculation has revolved around what could be the most crucial aspect of the reshuffle — the reported appointment of former military junta member Wirot Saengsanit as new supreme commander.

If Wirot's promotion is confirmed, Defence Minister Chawalit Yongchaiyut and Banhan will most probably have a tough time with the media.

Both have promised that "public feelings" would be taken into account before the reshuffle was finalized, and that the list would not disappoint the people.

Wirot, deputy permanent secretary for defence was closely associated with the National Peacekeeping Council which staged a coup in 1991, after which he became a deputy communications minister.

Observers said the post-coup military succession trend seemed to point to Wirot's eventual rise to the top Army post, but the apparent groundwork crumbled in the pro-democracy uprising in 1992.

Also at the centre of speculation over the past few weeks has been the possible replacement for retiring Army Commander-in-Chief Wimon Wongwanit.

Press reports over the last few days seemed to rule out an initially-strong favourite, Deputy Army Commander-in-Chief Phaibun Aiamphan, who was nominated by Wimon as his successor.

The source, who is close to Banhan yesterday declined to confirm strong speculation that Chawalit overrode Wimon's choice in favour of the politician's protege, Gen Pramon Phalasin, presently the armed forces chief-of-staff.

"The prime minister said there was no problem and the reshuffle list would be announced tomorrow. He said there was no change and he asked us to base speculation on this statement," said the source.

Reporters last night were frantically checking the Public Relations Department and their military sources after reports that Banhan had been granted an audience with His Majesty.

It was earlier reported that Deputy Army Commander-in-Chief Phaibun, realizing he was losing the race for the Army chief post, might ask Privy Councillor Prem Tinsulanon to intervene.

Now Gen Phaiboon is tipped to become defence permanent secretary, replacing retiring Gen Prasert Sararit.

This year's reshuffle has been plagued with other controversies. Initially there was an outcry over the alleged plan to promote Lt Gen Chainarong Nunphakdi, who was criticized for his role in the 1992 bloody suppression of pro-democracy demonstrators.

But the source said the chance that Chainarong, the chief of staff officers attached to the Army chief, would become assistant Army chief now seemed very low.

Chawalit yesterday remained elusive about his role in the reshuffle.

#### **Military Responsibility for 1991 Deaths Viewed**

95SE0180A Bangkok SIAM RAT in Thai 4 Aug 95 p 3

[FBIS Translated Excerpt] [Passage omitted] As a mass media organ that has listened to people's views on this, we would like to tell General Chawalit Yongchaiyut and General Wimon Wongwanit, the army commander-in-chief, that people would be shocked and outraged if an officer responsible for soldiers shooting and killing people in May 1991 was appointed to a position of power or to a position that could lead to the highest position in the army in the future.

The people feel that there are many knowledgeable and capable officers in the military whom they could support if these people were promoted to command positions or to a position that could someday lead to command of the army. But the people will have grave doubts if a soldier whom they feel acted improperly in the past is promoted to such a position.

Unless they think that the voice of the people can be disregarded, they should pay much attention to what the people think about this. Politicians often say that the voice of the people is the "voice of heaven." They say that the people are the masters of the country and the military. If military commanders ignore the people, the country will lose its solidarity, and incidents that no one wants may well happen again. Everyone here will lose. There won't be any winners, as the king told military and political leaders in May 1991. [passage omitted]

#### **Politician Vows To File Complaint With Panel**

BK2609045195 Bangkok THE NATION in English 26 Sep 95 p A2

[Unattributed report]

[FBIS Transcribed Text] Chat Thai Party deputy leader Watthana Atsawahem yesterday confirmed he would file a complaint with the commission of inquiry looking into the United States drug allegations against Thai politicians.

Thanat Khoman, chairman of the commission, said the panel would start working only after receiving complaints from those who think they had been treated unfairly by the US over the allegations.

Maintaining his innocence, Watthana said he would try to be the first one to lodge a complaint with the commission.

"I am now drafting it," Watthana said. "I'll complain to Thanat's commission or any other committee here in Thailand or in any foreign country. I am innocent, and I am ready to prove that anywhere. If I am found guilty, I am ready to go to the gallows."

Watthana has been denied an entry visa to the US on suspicion that he was linked to drug traffickers. The allegations prevented Watthana from receiving a Cabinet portfolio.

"I feel hurt that I have been unfairly accused. However, the Thai people will be the ones who decide my fate. Don't spare me if I committed the crime," he said.

Watthana claimed that the allegations against him were "politically motivated".

#### **Drug Panel Chief Blasts U.S. Diplomat**

BK2609014095 Bangkok THE NATION in English 26 Sep 95 p A1

[Unattributed report: "Letter to Official Claims Conspiracy To Destroy Drug Panel"]

[FBIS Transcribed Text] Thanat Khoman, chairman of the drug inquiry committee, has brought his standoff with the United States to new heights, using terms like "unworthiness", "dishonourable" and "bullishness" in a fierce letter to a senior American official.

The letter to Charge d'Affaires Ralph Boyce refers to the recent controversy stemming from a meeting between the two on Thursday.

After the meeting, Thanat claimed the US diplomat had admitted that the embassy conspired with the Chuan Likphai government in raising drug charges against deputy Chat Thai leader Watthana Atsawahem to counter a no-confidence offensive by the Chat Thai-led opposition.

The embassy deemed "press reports" on Thanat's claim "incorrect". The Democrat Party, which Thanat once led but which has become his nemesis, hit back at him with harsh comments.

In his letter to the charge d'affaires, copies of which were sent to media offices, the ex-foreign minister and former envoy to the US put aside diplomatic protocol.

"Your accusation that I distorted your words is entirely unwarranted and dishonorable," the letter began.

"The press reports that you recently termed 'incorrect' have probably been cooked up in your office to permit you to level charges of distortion against those who do not submit to you."

It then suggested that the present controversy over his remarks could be part of a conspiracy to destroy his inquiry committee set up by the Banhan government.

"Thai people have not forgotten that Ambassador David Lambertson, before his departure, had told the Foreign Ministry that the US government is opposed to Thailand setting up an investigation committee... and if that were to happen in spite of the warning, it would withdraw its cooperation and would even vote against Thailand's application for loans at the World Bank or the IMF.

"And since the present government failed to heed the ugly threats, this Committee for Inquiry must be discredited and destroyed," the letter said.

"Hence, in this contemptible ploy of incorrect press reports and distortion, Thailand is now the Siamese mouse for the American cat to play with."

THE NATION recently reported on Possible US action if the Thai government appointed to the Cabinet Watthana and another Chat Thai executive, Narong Wongwan, who were denied US visas after allegations of links to drug traffickers.

Measures possible under legislative requirements include voting against financial lending to Thailand by such international institutes as the World Bank and IMF, and a ban on US assistance to any ministry headed by the accused.

Thanat's letter reiterated his stand that the US was "blatantly" interfering in Thai domestic affairs by levelling unsubstantiated allegations against politicians.

The US side has emphasized that full evidence could not be given to Thailand because of its privacy act. But Washington suggested it would lend utmost cooperation if the government decided to take legal action against the accused.

Thanat's letter also emphasized his charge that the allegations against Watthana and the censure debate were not a coincidence.

The "unworthiness and dishonourable nature" of the US stand would affect the relationship because most Thai did not agree with "US bullishness", it said. "Only a few UN-Thai are on your side for their treasonable selfish gains."

Yesterday, during a radio interview with Nation Editor in Chief Sutthichai Yun, Thanat blasted the media for giving so much play to criticism against his committee.

"The hell with them. If they scold my mother, I will scold them back. That's all. You don't need to report every word they say," he said.

#### **Commentaries View Role of Thanat-Led Committee BK2609014295**

[FBIS Editorial Report] Four Bangkok Thai-language dailies — MATICHON, NAEO NA, SIAM POST, and KRUNGTHAP THURAKIT — on 22 and 23 September carry comments on Prime Minister Banhan Sinlapa-acha's appointment of an inquiry committee to investigate the U.S. drug allegations against leading Thai political figures, Narong Wongwan and Watthana Atsawahem of the Chat Thai Party.

On 22 September, MATICHON carries a 1,000-word article on page 20, entitled: "About Khun Thanat and National Honor." The author, Kowit Wongsurawat, approves of former foreign minister Thanat Khoman's role as head of the public hearing committee set up by the prime minister to examine the unsubstantiated drug trafficking charges alleged by the United States against Narong Wongwan and Watthana Atsawahem. In his opinion, there are no lasting friends or foes in international relations. What is of the utmost importance is the interest of the nation. One example that he cites is ASEAN, which, despite its initial resistance, has now welcomed Vietnam's membership.

The author categorizes national interests in order of importance: national survival or national security, economic stability, power expansion, and national dignity and honor. He believes Thanat's decision to accept his new role is motivated by the fourth interest — national dignity and honor. While upholding the legitimate right of the United States to deny an entry visa to any foreigner, the author questions the motive of the United States for withholding information from Thailand about the two politicians. He notes that the United States' handling of this case is different from its handling of Kurt Waldheim's case.

The writer says: "In fact there is nothing wrong with the United States denying visas to foreigners; and there is no need for the United States to give us an explanation. Thailand has done the same thing on several occasions.

"What was unacceptable was the United States' interference in the appointments of our cabinet ministers. For that reason, the United States should make its reasons known, if there were any. If the United States has evi-



dence against a Thai national, then United States should seek extradition for a court trial in the United States."

In a 1,000-word column on page 5 of NAEO NA on 22 September, written by Somchet Saengkham Na Wiangkhamphu, entitled "It's Time To Think About a Course That Contributes to Government Stability," the columnist says that the establishment of the Thanat-led public hearing committee was a unilateral move taken by the prime minister to clear the politicians in question, Wathana and Narong, of the U.S. drug trafficking charges to pave their way for ministerial appointments. It is questionable whether or not the United States will recognize the role of the panel and cooperate with it to provide the requested information.

He warns that Banhan's move may backfire and make his government more vulnerable to attacks from the opposition. "The best way is for the prime minister to allow the political course to unfold naturally. There is no need for the government to have fear as long as the opposition is busy with the current issue. Banhan must realize that there is still more time for him. In short, there is no need for him to rush and appoint an interior minister right now. On the contrary, with Banhan relinquishing his portfolio, this will open up a new target for attacks by the opposition. And this time, there is a chance his ship could sink easily," the columnist cautions.

Pleo Si-ngoen writes in his page-4 column "Between the Lines" in SIAM POST on 23 September about the controversy over Thanat's claim that the U.S. charge d'affaires told him that the previous government had asked the United States to accuse the politicians of involvement in drug trafficking. In the 800-word article, the columnist says the issue was "very serious," adding: "it has shocked all parties concerned, including the charge d'affaires himself, and the previous government, especially the Democrat Party. It has an impact on Colonel Thanat Khoman himself and on Prime Minister Banhan Sinlapa-acha, especially the status of his government."

Concerning Thai-U.S. relations, the columnist says this is a matter of "life and death." The author points out that he does not believe the deputy charge d'affaires of the U.S. Embassy said what Thanat has claimed. Viewing Thanat's claim as detrimental to the country's reputation as well as to Thai-U.S. relations, he urges the Democrat Party and Thanat to quickly ascertain the truth about the claim. The Democrat Party is advised to find a way to deal with this matter in a most appropriate manner, since its failure to do so would be detrimental to the party's reputation, but would be to Banhan's advantage.

KRUNGTHEP THURAKIT carries a 500-word editorial on 23 September on page 2 entitled: "The Public Hearing Committee Should Be Scrapped." It says the establishment of the committee was "utter nonsense." The committee has no legal status. It cannot forward its findings to the court because it cannot play the role of prosecutor. "No matter what the results of the investigation are, they will not be legally binding," the editorial says. The appointment of the committee by the prime minister constitutes an overlap of responsibilities between the executive and the judiciary.

The U.S. Embassy has denied Thanat Khoman's statement about his meeting with the charge d'affaires, claiming that the report about the meeting was "incorrect." That means there has been a misunderstanding, either from Colonel Thanat or from the U.S. charge d'affaires. "What happened leaves us questioning to what extent the U.S. Embassy would cooperate with this investigation; it has already been seen that some information could lead to further misunderstandings," the editorial says. Since there is no way to cleanse the two politicians — no hope that the United States will cooperate with the work of the inquiry committee, there is no need to prove what is rather ridiculous to us in the first place. In conclusion, the editorial advises the prime minister to dissolve the committee before it generates more objectionable incidents.

#### Columnists Review Thanat Remarks on Drug Charges

BK2509115395

[FBIS Editorial Report] Bangkok NAEO NA in Thai and KRUNGTHEP THURAKIT in Thai on 25 September publish commentaries on the disclosure made by former Foreign Minister Thanat Khoman, chairman of the government-appointed Public Hearing Committee, on his recent discussion with U.S. charge d'affaires regarding U.S. drug charges against Thai politicians.

NAEO NA's 1,000-word "Prasong Speaks" Column on page 3, written by former foreign minister Squadron Leader Prasong Sunsirit, entitled: "Khun Thanat Has Already Ruined His Own Credibility," states: "I was stunned by his interview. It is unbelievable that Khun Thanat with his extensive experience in the field of foreign relations would dare to cite a person like the charge d'affaires to substantiate his prejudice. Many people have been led to believe that the previous government really committed the offense."

Prasong satirically notes: "It was rather unusual that the United States could be coerced so easily as if it were our faithful slave."

Stressing that Thanat has a strong prejudice against both the United States and the previous Democrat Party-led coalition government, the columnist says: "The appointment of such a capricious person to head the probing committee may have a negative impact on the government. People could think that their prime minister is also of the same caliber. Hence, the country's future looks somber."

The United States earlier informed the Thai foreign minister that in compliance with the Thai-U.S. treaty on cooperation in criminal cases, it "is willing to fully cooperate with the Thai Government by providing any evidence and information it has should the latter decide to take legal action against suspected traffickers."

"Do not try to distort the facts by diverting the people's attention to something else or attempt to confuse and mislead the people to support your presumption on U.S. interference in our internal affairs."

"Be prudent, not aggressive. I hate to see anyone calling or treating him as a sick old man."

KRUNGTHEP THURAKIT's 500-word "Catching the Current" Column, on page 20, entitled: "Borrow the Sword To Kill the Democrats," says: "It is apparent that the appointment of the Public Hearing Committee, or Commission of Inquiry so-called by Col Thanat Khoman, has proved very fruitful for Prime Minister Banhan Sinlapa-acha."

"The prime minister succeeds in using a person from the Democrat Party to 'discredit' the same party."

"Everyone knows that Col Thanat Khoman was overwhelmingly elected to be the leader of the Democrat Party in 1979. He was the hero on a white horse who came to restore the party's popularity in Bangkok."

The column points out: "The disclosure made by Col Thanat Khoman after his meeting with the U.S. charge d'affaires last week was quite interesting 'new information.'"

"If it is true, it means that the Democrat Party did use the U.S. drug charges as a weapon to destroy its political opponents. It also means that the U.S. drug charges are groundless."

In conclusion, the column stresses: "This could be a subtle scheme of Banhan Sinlapa-acha to drive a bigger wedge between the Democrat Party and its former leader."

"He is using the sword from the Democrat Party to kill the Democrats."

#### Editorial Greet Change in Army Reshuffle List

BK2509050995 Bangkok BANGKOK POST  
in English 25 Sep 95 p 4

[Editorial: "Change in People or Change of Thinking?"]

[FBIS Transcribed Text] A sense of relief has been sweeping the political and prodemocracy arenas recently. The cause of this temporal solace stemmed from press reports that Gen Chainarong Nunphakdi, currently chief of staff officers of Army Commander-in-Chief Gen Wimon Wongwanit and earlier tipped to be promoted chief-of-staff of the Army, had been dropped from the annual military reshuffle list. In addition, Army Chief-of-Staff Gen Pramon Phalasin was expected to be named the new army strongman instead of his colleague, Gen Phaibun Emphan, currently the deputy commander-in-chief.

The anticipated last-minute change in the army hierarchy, personally handled by Defence Minister Chawalit Yongchaiyut, has hurt a number of top-ranking army officers, especially those who were earlier tipped to assume key positions. Nevertheless the news concerning Gen Chainarong is definitely welcome. The general's active involvement in the brutal crackdown against unarmed prodemocracy protesters in May 1992 would have put his appointment to a position in direct line to later become army strongman out of line with public sentiment. It could even have jeopardised the ongoing process of democratic development and eroded the stable political atmosphere. The country could not afford to have anyone as military leader if they despised democracy or could not tolerate freedom of expression.

Like other government agencies the military has a set of criteria for promotions and transfers, including seniority, competence and resourcefulness. But all too often those criteria seem to have been sacrificed in favour of nepotism or class affiliation. Officers who were capable, resourceful and senior were shunted to insignificant positions or not given the promotions they deserved. On the other hand officers with the right connections were rewarded, regardless of doubts about their competency.

It is heartening to hear from Gen Pramon, the man tipped to become the next Army commander-in-chief, that he would like to see an end to nepotism in the Army. The general was unusually frank and open to discuss the subject of nepotism, a problem that is well-known in the Army but something rarely mentioned or criticised in public. A risk of breaching discipline combined with the deference of subordinates for their superiors explains the reluctance for discussion.

The annual military reshuffle, especially that concerning the Army, has for decades been a closely-watched event by political and military observers. It has also been a subject of widespread speculation with the focus of attention going on who is to be the next army strongman. In recent years, however, a far more important question has evolved — not so much who is to be the next army commander-in-chief but more whether he is at heart a democrat or a military dictator.

Quite often we heard a would-be or newly-installed army strongman pledging to support democracy and making assurances there would be no coup while he was in charge. Such statements were treated as if they were a blessing from the Almighty, not least by the elected government in office.

But in the present political atmosphere, this kind of pronouncement can sound disturbing and politically irrelevant. It perpetuates the perception that civilian government is permanently dependent upon the whim of the military, a national state of mind that clearly has no place in a true democracy.

Like their civilian counterparts, branches of the military should be answerable to the government elected by the people. Not all military officers may agree with such thinking. Some may still see themselves as guardians of the country with the right to intervene politically for the sake of what they see as "the national interest."

Politics and military do not mix. Only when our military leaders stay away from politics completely will public concern over who is to be the next army strongman cease to arise.

#### **Chat Phatthana Head Warns of Harming U.S. Ties**

*BK2509040495 Bangkok BANGKOK POST  
in English 25 Sep 95 p 3*

[Unattributed report]

[FBIS Transcribed Text] The public hearings committee must be careful to avoid affecting relations with the United States, the Chat Phatthana leader said yesterday.

There was a danger the government-appointed panel would undermine relations said Gen Chatchai Chunchawan.

The panel was set up to look into drugs trafficking allegations against the senior Chat Thai politicians Narong Wongwan and Watthana Atsawahem.

Gen Chatchai's caution followed claims by Thanat Khoman, the panel chairman, that the United States had conspired with the Democrats to discredit Mr Narong and Mr Watthana.

Opinions could be voiced but the panel also deserved the opportunity to carry out its task, he said.

"One should wait and see what information the panel produces that will benefit the country," he said.

The panel was a legitimate entity as it had been formed on the prime minister's orders, he added.

#### **Party To Sue Thanat Over Conspiracy Remarks**

*BK2409112995 Bangkok THE SUNDAY NATION  
in English 24 Sep 95 p A1*

[Unattributed report]

[FBIS Transcribed Text] Democrat Party secretary-general Sanan Khachonprasat said yesterday the party would definitely seek legal action against the head of the government's drug inquiry panel for defamation.

Sanan said he was accumulating evidence to substantiate a suit against Thanat Khoman for his accusation that the previous government of Democrat leader Chuan Likphai asked the U.S. Embassy to raise drug allegations against senior Chat Thai Party members.

He lashed out at Thanat, a former foreign minister, saying the latter must have dreamed the Washington-Chuan conspiracy. Sanan said the Democrats were not that powerful and the U.S. would never accede to illegitimate requests.

Thanat said on Thursday that the U.S. charge d'affaires told him over lunch the previous government had asked Washington to allege that Narong Wongwan and Watthana Atsawahem had links with drug traffickers.

Ralph Boyce subsequently described the press reports as "inaccurate". The United States Information Service [USIS] confirmed that the two discussed something, but not what Col Thanat told the media.

MP Trairong Suwannakhiri (Democrat-Songkhla), one of the Democrat Party's executives, said the fact that USIS had denied Thanat's claim cleared the Democrat Party of the allegation. He added that Thanat should be held responsible for his words.

He said he worried about other members of the public hearing committee probing the U.S. allegations, as they might be affected by Thanat's claim, and that bilateral relations between the U.S. and Thailand might also be affected.

Samphan Thongsamak, also on the Democrats' executive committee, said that Thanat's inaccurate allegation would affect the public hearing committee's credibility, and reflected the qualifications of the Banhan-appointed committee members.



"Not only Thanat, but also the government has lost face," he said.

Meanwhile, MP Man Phatthanotai (Chat Thai-Samut Prakan), personal secretary to Chat Thai deputy leader Watthana, said Watthana would definitely submit an application to be questioned by the public hearing committee by Oct 20.

"We wait because we are afraid the committee will be accused of working for the Chat Thai Party if we file our request immediately after the committee being formed," he said.

Veteran politician Buntheng Thongsawat said although he was not familiar with Thanat, he remembered the time when Thanat was Democrat Party leader.

#### Thanat Discusses Accusations Against Politician

BK2409101395 Bangkok SIAM RAT in Thai  
24 Sep 95 pp 1, 15

[FBIS Translated Excerpt] According to press reports, Colonel Thanat Khoman, chairman of the public hearing committee, and the U.S. charge d'affaires recently discussed how the previous Thai Government asked the United States to accuse a Thai politician of involvement in narcotics trafficking and because of that to reject his visa application. Because of the United States Information Service's recent denial of these reports, Col. Thanat repeated on 23 September that the U.S. charge d'affaires informed him that the previous government's Foreign Ministry had requested the United States reject the visa application of an opposition MP based on his suspected involvement in narcotics trafficking. That government then brought up the issue during the no-confidence debate in the House.

Thanat said: "The main question is why did it happen during the no-confidence debate? Generally, the reasons for someone's visa being rejected are not made public. The point worth noting is why did the previous government publicize the reason for his U.S. visa being rejected?"

According to Thanat, the 22 September USIS statement did not say that his statement was inaccurate but implied that the report about conspiracy between Thailand and the United States was inaccurate. He said he could not have used the word "conspiracy".

Thanat said there is evidence at the Foreign Ministry to show that the head of the ministry summoned the U.S. envoy to explain the reason for the visa denial. This visa denial was used indiscriminately without asking for substantive evidence. [passage omitted]

#### French Nuclear Tests Termed 'Major Error'

BK2609072995 Bangkok BANGKOK POST  
in English 26 Sep 95 p 4

[Editorial: "Continuing Nuke Tests a Major Error by France"]

[FBIS Transcribed Text] The decision by France to carry on with its nuclear tests in the South Pacific is disheartening. It is particularly sad that Paris has chosen to ignore both fellow governments as well as public opinion. By moving ahead with its tests below picturesque Mururoa Atoll, the French government displays both an arrogance and a myopia which is particularly distressing in today's ever-smaller world.

France has failed to realise the most important fact about nuclear weapons. Security no longer depends upon having weapons of mass destruction. It depends upon assuring no nation has them. The current round of nuclear testing by Paris defies the logic of French claims it supports a worldwide test ban. It even tests the Paris support for non-proliferation of such weapons. It is inevitable that some ambitious dictators will use the current French testing as justification to try to obtain and develop nuclear weapons of their own.

There is no surprise in the opposition to the French nuclear testing in the area of its overseas territory known as French Polynesia. The previous government led by Francois Mitterrand banned tests despite strong pressure from his military leaders. Mr. Mitterrand was attuned to the importance of nuclear disarmament and the image of his country. This changed with the election earlier this year of new President Jacques Chirac. There is no reason to doubt the sincerity of Mr. Chirac that owning "better" nuclear weapons is in his country's interest. There also is little reason to doubt his notion is wrong.

One of the great promises of the current era is the destruction of the worst weapons man has invented. For more than 40 years, the Cold War had justified what often was correctly called a mutual terror. Industrial nations and their allies owned, and developed, increasing arsenals of nuclear weapons, in the desperate hope neither would use them. They did not. The collapse of the Soviet Union was a pivotal event. The chance for nuclear disarmament now rests on the leadership of a small number of countries, including France.

Paris is trying to have its nuclear cake and to eat it. On one hand, France is in favour of nuclear disarmament, and was the first country to support an international treaty banning all nuclear testing. On the other hand, France is insisting its security depends upon another round of testing and refinement of its nuclear arsenal. Obviously, one of these conflicting positions is

mistaken. Since no nation currently threatens nuclear attack on France, there is no obvious justification for Paris to continue its nuclear development.

The French claim it is acting according to international law is a red herring. It wrongly exults in the refusal of the International Court of Justice to accept New Zealand's case against Paris to stop the tests. Successful diplomacy does not depend upon adherence to the letter of treaties. France clearly has failed to live up to the spirit of nuclear disarmament. South Pacific nations have been the most outraged and outspoken against the Mururoa underwater explosions, but there has been no lack of anger. Last week, 41 Latin American countries from the Treaty of Tlatelolco group condemned nuclear tests by both France and China.

There is a great threat which hangs over Paris — and Beijing — by their refusals to end nuclear testing voluntarily. That peril is that tinpot dictators from unpleasant nations will justify developing nuclear weapons because members of the nuclear club refuse to dispose of them. Earlier this year, many responsible governments including Indonesia and Egypt made exactly this point in their initial opposition to extending the nuclear Non-Proliferation Treaty [NPT]. The NPT was finally approved on the basis of promises made by France and other nuclear powers to work seriously towards nuclear disarmament.

In short, France must be seen to be doing the right thing. It is not. Governments and private citizens throughout the world continue to condemn the French testing. There is only one act by Paris which will stop the protests. But Mr. Chirac has remained adamant. From the beginning, he has said his decision is, "of course, irrevocable." He intends to continue the tests, and France will continue to perfect its nuclear arsenal.

We can only hope the French government will see it is in its own interest to reverse this mistake. It is vital all nuclear powers halt their development of these weapons. France may somehow gain some "better" nuclear weapon by testing and refining the ones it has. It will gain much more with a bold decision to halt the tests.

#### **Writer Examines Military-Khmer Rouge Issue**

95SE0180C Bangkok MATICHON in Thai 4 Aug 95  
p 20

[FBIS Translated Excerpt] The dispute between Thailand and Cambodia, which arose at the end of 1994 and which has been simmering ever since is, as everyone knows, a dispute primarily about border issues. An example is the November 1991 killing of 22 Thai workers of the B.P.L. Timber Company Ltd., who were work-

ing in a forest concession area in Cambodia. [passage omitted]

In February, there was a clash between Thai soldiers and Cambodian government soldiers. The Cambodian soldiers crossed the border into Thailand and attacked trucks belonging to the Suranari Force. That occurred at the Phra Pa Lai Pass in Khun Han District, Sisaket Province. Two Thai soldiers were killed in that clash. [passage omitted]

The Cambodian government has accused Thai soldiers of crossing into Cambodia. They have also charged that the Thai military is providing supplies to the Khmer Rouge. In April, a Cambodian police officer who is the head of the Information Division in Battambang Province charged that two groups of Thai spies known by the codewords "838" and "315" had provided the Khmer Rouge with information about the movements of Cambodian government military forces. Then in May, Cambodian government soldiers captured two Thais along the border at Ban Nimit, Aranyaprathet District, Sakaeo Province. They charged the Thais with spying for the Khmer Rouge and with entering the country illegally. At the beginning of June, there was a clash between Cambodian government forces and Khmer Rouge forces. In that clash, property belonging to Thais who live near the border was destroyed.

It can be seen that all of the disputes between Thailand and Cambodia involve disputes about the Khmer Rouge. It can be said that the Khmer Rouge are the cause of all the differences between Thailand and Cambodia. It seems that the Cambodian government is intentionally accusing Thailand of supporting the Khmer Rouge and distorting things in order to absolve its forces of any responsibility for what has happened by blaming the Khmer Rouge. [passage omitted]

There is an element of truth to the charges. In this article, I would like to discuss only the Khmer Rouge issue. The Cambodian government is not the only one to accuse Thailand of providing direct support to the Khmer Rouge by providing weapons, training, food and other supplies, and sanctuary and of providing indirect support by buying timber and gemstones from them so that the Khmer Rouge can continue fighting against the Cambodian government, making it difficult for the government to suppress the Khmer Rouge. [passage omitted]

The Thai military has pointed out that the Thai military is allowing people to sell only food and blankets. There is no trade in weapons or gemstones, which is against the law. But there have been reports that Cambodian officials have charged that 16 Thai companies are illegally mining gemstones and cutting timber inside

Cambodia. That could earn the Khmer Rouge huge sums of money that it could use to purchase weapons and support its 9,000 troops in order to continue the fight against the government. [passage omitted]

In May, the Global Witness organization issued a report after studying timber trading activities between Thailand and Cambodia. It found that Thailand is still engaged in timber trading activities with the Khmer Rouge. [passage omitted] Thailand's actions are tantamount to double-dealing. On one hand, it supports Cambodian law. That is, the Thai government has officially closed the border. But on the other hand, it is allowing private companies to engage in logging operations in Khmer Rouge zones. Thus, the government is a party to the timber trade being conducted along the Thai-Cambodian border. Powerful people in the cabinet have issued temporary permits to Thai companies authorizing them to bring logs into Thailand even though the government has ordered the border closed and the Cambodian government has closed the forests. Furthermore, several private Thai companies have been allowed to sign contracts with the Khmer Rouge granting them 5-year or 2-year timber concessions.

This confirms the charges made by the Cambodian government, which charges that Thailand is still providing indirect support to the Khmer Rouge by trading in timber and gemstones and carrying on border trade. This is because most of the money that the Khmer Rouge earns from selling timber and gemstones is used to buy weapons with which to fight the Cambodian government.

The Khmer Rouge problem is like a thorn in the side that is affecting Thai-Cambodian relations. What can be done to improve relations between our two countries now that Thailand has a new government? The Thai people would like an answer to this question. It's unlikely that the Cambodian government or the people of the world will believe Thailand when it says that it isn't supporting the Khmer Rouge and that it recognizes the elected Cambodian government. The Thai government will have to take concrete action to prove this to people. [passage omitted]

I hope that those responsible for formulating security policy, including the Ministry of Defense, the National Security Council, and the Ministry of Interior, will implement security policies that will help solve the Thai-Cambodian border problems at a government-to-government level. The old policy of creating a buffer state by providing weapons and training in order to maintain the nation's security interests should be changed in line with the policies of the Ministry of For-

eign Affairs. We must respect the integrity, sovereignty, and territorial integrity of Cambodia. [passage omitted]

I would like Thailand to implement a sincere policy toward our neighbor both openly and secretly instead of implementing one policy in the open and another in secret. Doing things the latter way will foster doubt among Cambodians and the people of the world. The Ministry of Interior is one of the organizations responsible for implementing Thai-Cambodian border policy. It is responsible for considering whether to open or close border trading points and other border transit points. It should act in accord with the UN agreement, which is recognized by the Ministry of Foreign Affairs.

We should not be doing things in secret in order to protect the interests of certain individuals. That is bad for the nation's honor. We should stop engaging in border trade, which is against the law and a violation of the UN Security Council resolution. If we want to open trading points along the Thai-Cambodian border, negotiations should be held between the Thai and Cambodian governments. Implementing such a policy will maintain Thailand's honor, and Cambodia will have to respect us. [passage omitted]

The fact is, the effort to solve the Cambodian problem at the international level, which led to elections in 1993, without the political participation of the Khmer Rouge was a failure. I agree with that. But all that that means is that the Khmer Rouge should have the right to play a role in administering the country if they are willing to play by the rules in a democratic system.

I do not agree with the Cambodian government's decision to outlaw the Khmer Rouge. That is not the way to solve the Cambodian problem, because that will force the Khmer Rouge and the Cambodian government to use force in an effort to save themselves. I hope that the leaders of the new Thai administration will have the courage tell the Cambodian government that the Khmer Rouge problem must be solved at the international level. No one knows whether that will achieve anything. But another attempt should be made.

The Cambodian problem, which has been an open sore between Thailand and Cambodia, is an old problem that is waiting to be solved. Those who want to solve this problem must make efficient use of the state apparatus. And the most direct way of communicating is to exchange delegations. This will help resolve the misunderstandings that arise instead of allowing these to become disputes. The important thing is that we must be sincere toward each other. The Cambodian government should admit that its troops lack discipline and unity of command. This is one of the reasons for



the crime problem, because the soldiers have weapons. They shouldn't put all the blame on the Khmer Rouge.

#### **Phaibun on Media Controls, Political Reform**

*95SE0180D Bangkok DAO SIAM in Thai 7 Aug 95 pp 1, 12*

[FBIS Translated Excerpt] [Passage omitted] A large number of senior military officers attended the festive birthday party of General Suchinda Khraprayun. Most of those were members of CRMA [Chulachomklao Royal Military Academy] Class 5, such as General Phaibun Emphan, the deputy army commander-in-chief [deputy RTA CINC], Admiral Prachet Siridet, the navy commander-in-chief, General San Siphon, the former deputy RTA CINC, and General Isaraphong Nunphakdi, the former RTA CINC, and several officers from junior classes such as General Chettha Thanacharo, the assistant RTA CINC.

General Phaibun was interviewed during the birthday party for General Suchinda, the former prime minister, at his [Suchinda's] home on Soi Ranong 2 on the evening of 6 August. He said that government administration is very important. If the news broadcast by the mass media is provocative or false, that could do great damage.

"The government is the highest body in governing the country. If the mass media tries to provoke things using tricks, that could harm the country. Sometimes, it's difficult for the government to tell if the mass media has good intentions or not. For example, the AFP news service has recently been presenting stories damaging to the Burmese army. Because of this, we always have to sift through the news," said the deputy RTA CINC, who is expected to become the next RTA CINC.

General Phaibun said that the government has a right to check the background of the mass media in order to maintain security. If the mass media is honest and isn't hiding anything, it won't object to such inspections. But if it is trying to conceal something, it certainly won't be happy about being inspected.

In his capacity as a senator, General Phaibun talked about political reform. He said that in reforming politics, MPs or senators should not be hindered in expressing their views about political reform, because Thailand is a democracy. Everyone should have the right to express his views. He said that the military will not interfere in this and will do things in accord with government policy. But the orders must come from the legal government.

The deputy RTA CINC said that to reform politics, we should gather ideas from all factions. And everyone

must work together. There shouldn't be arguments, because that just wastes time.

"Once that it is agreed that a particular method is the best way and that this can solve the problems, people should cooperate and discuss things together. If we become mired down in arguments, political development here will proceed more slowly than in neighboring countries. Actually, our country has great potential. But we are mired down in arguments. That is a waste of time. If there are things on which we can agree, we should do so as soon as possible," said General Phaibun. [passage omitted]

#### **Further on Banhan's Economic Policies**

*95SE0180B Bangkok SIAM RAT in Thai 5 Aug 95 p 4*

[Speech by Prime Minister Banhan Silapa-acha at a conference of senior ministry, bureau, and department administrators held at the Government House on 4 August]

[FBIS Translated Excerpt] [Passage omitted] As people know, today's world is a world without borders. Because of the development of the telecommunications system, people know what is happening all over the world virtually as it happens. This will change world society and have a great effect on international trade, which is marked by fierce competition. What is clear today is that Thai society is facing a whole host of problems, including the traffic problem, the deterioration of the environment, pollution, and an income gap. All of these problems are having an adverse effect on the quality of life of people in society. [passage omitted]

Thus, it can be seen that the government has been focusing on achieving an economic and social balance. We are focusing on achieving domestic stability in a free economic system and making adjustments in both the public and private sectors so that we can compete in today's world based on a strategy of a developed world without borders. [passage omitted]

As I have said, this government will focus on maintaining economic stability in order to ensure the country's economic growth. One of the urgent problems today is inflation. I have ordered the units concerned, including the Ministry of Finance, the Bank of Thailand, and the Ministry of Commerce, to cooperate in taking steps to ensure that the inflation rate remains at an acceptable level. I am also giving attention to solving the current accounts deficit problem. This will require the cooperation of all units. In particular, the Ministry of Communications, the Ministry of Commerce, the Ministry of Industry, the Office of the Board of Investment, and the Tourism Authority of Thailand must coordinate things

closely with the Ministry of Finance in order to solve this problem.

As for this government's economic policies, as I told parliament, we have seven main objectives:

First is to show that this government supports and wants to build a free economy by relying primarily on the private sector in developing the country.

Second is to show that this administration is set on maintaining a high rate of economic growth (7-8 percent).

Third is to maintain economic stability. We want our economy to grow in a stable way. We don't want too high an inflation rate, and we don't want the value of the baht to fluctuate too much.

Fourth is to distribute income and growth, reduce the economic inequality between Bangkok and the provinces, reduce urban-rural inequalities, and narrow the gap between the rich and the poor.

Fifth, which directly concerns the world in an age without borders, is to promote economic cooperation with neighboring countries in this region by relaying on the advantageous or strategic location of our country, which can be said to be located midway between East Asia and South Asia and between Southeast Asia and Indochina. The countries in this region have great potential for economic growth. Thus, cooperating with these countries will increase Thailand's ability to compete economically and enable the economies of the countries in this region to develop and move forward in the same direction. This will benefit all Thais both directly and indirectly and improve their standard of living. Besides this, looked at in broader terms, we must look for opportunities from the international economic forums to which belong, such as the Asia Free Trade Area (AFTA), Asia Pacific Economic Cooperation (APEC), and the World Trade Organization (WTO), in order to benefit Thailand on both the trade and investment fronts. This will help create more jobs here, and the country's economy in general will move forward. Also, this will give us greater bargaining power with economic groups in other regions, such as the European Union (EU) and the North American Free Trade Area (NAFTA). [passage omitted]

#### **Finance Minister Background, Associates Described**

95SE0177A Bangkok THAN SETTHAKIT in Thai  
29 Jul 95 -1 Aug 95 pp 8, 9

[FBIS Translated Excerpt] [Passage omitted] The minister and deputy minister of finance have both been criticized. That is, people wonder how qualified they are. Dr. Surakiat Sathianthai has been appointed minister of finance, and Mr. Newin Chitchop has been appointed deputy minister of finance.

#### **Who is Surakiat?**

Dr. Surakiat Sathianthai was born on 7 June 1954. He is the nephew of Commander Niang and Yai Saem. His parents are Dr. Sunthon Sathianthai and Mrs. Kuakun Sathianthai. His father is a well-known figure, because he once served as the director of the Fiscal Policy Office, director-general of the Treasury Department, and a finance ministry auditor.

Dr. Surakiat completed both lower and upper secondary school at the Chulalongkorn University Demonstration School. He earned a bachelor's degree in law, with honors, from Chulalongkorn University. He earned a master's degree in international relations (M.A.L.D) (law, economics, and political science) from the Fletcher School of Law and Diplomacy Tufts University, U.S.A., and a second master's degree in law (LL.M.) (international business law) from Harvard Law School in the United States. He earned his doctorate in law (S.J.D.) (international business law) from Harvard Law School.

#### **Background of this law professor:**

He has served as the director of the Law and Development Research Center, Faculty of Law, Chulalongkorn University, and the deputy dean for foreign relations, Faculty of Law, Chulalongkorn University. Prior to being appointed minister, he was dean of the Faculty of Law, Chulalongkorn University (1992-1995), head of the Graduate School of Law at Chulalongkorn University (1992-1995), and associate professor of international law in the Faculty of Law, Chulalongkorn University (1992-1995).

#### **Political experience:**

He served as a policy adviser to the prime minister (1988-1991) during the administration of General Chatchai Chunhawan, as an economic adviser to the prime minister (1992), as a member of the Investment Promotion Board (1989-1991), as the chairman of the committee to revise the Revolutionary Council Order on economic affairs, Office of the Prime Minister (1993-1995, during the administration of Chuan Likphai), as an adviser to the Office for the Coordination of International Economic Matters, Office of the Prime Minister (1993-1995), and as a member of the Joint Public-Private Committee To Solve Economic Problems (1995).

#### **Adviser to Banhan:**

During the general election in 1988, the Thai Nation Party led by then Major General Chatchai Chunhawan won the most votes and formed the Chatchai 1 government. On 15 August that year, a group of advisers to the prime minister was formed. This group included

Mr. Wan Chanchua, Mr. Sa-at Piyawan, Mr. Chumphon Silapa-acha, Mr. Suraphan Chinnawat, Mr. Sombat Phanitchiwa, Mr. Thamma Pinsukan, Mr. Phairot Khruarat, Mr. Wirawan Sitthitham, and Mr. Piya Angdinan. Mr. Wan Chanchua served as the head of the advisory team to the prime minister. This team of advisers submitted ideas concerning policy matters and economic, social, political, and foreign affairs issues to the prime minister. They also contacted officials at various ministries, bureaus, departments, state enterprises, and units in which the government had investments. They also helped explain various matters. Actually, this team of advisers was similar to that of the Prem Tinsulanon (5) administration. That team of advisers was headed by Police 2d Lieutenant Chan Manutham.

Shortly after the formation of this team of advisers, Major General Chatchai ordered the appointment of another six advisers: Mr. Narongchai Akkhonserani, who was then the deputy director of the Thai Development Research Institute, Mr. Chuanchai Atchanan, who was a professor with the Faculty of Economics at Chulalongkorn University, Mr. Buansak Uwanno, who was a professor with the Faculty of Law at Chulalongkorn University, Mr. Surakiat Sathianthai, who was a professor with the Faculty of Law at Chulalongkorn University, MR [royal title] Sukhumphan Boriphat, who was a professor with the Faculty of Political Science at Chulalongkorn University, and Mr. Phansak Winyarat, an academic and newspaperman. At that time, the prime minister said that this advisory team, which was to function as a "think tank," was composed of young academics who were experts in the fields of economics, foreign affairs, law, international business, and technology. These advisers were not paid a salary. Their duty was to make policy recommendations on various matters and give suggestions on immediate and long-term problems. They met once a week at Ban Phitsanulok, from which this team of advisers got the nickname "Ban Phitsanulok advisers."

The mass media at that time found that most of the members of that advisory team were academics who belonged to the "Group of 99 Intellectuals." It was this group of intellectuals who submitted a petition to the king asking that General Prem remain neutral and who criticized the military for providing moral support to Gen. Prem prior to the general election.

#### Role as a Ban Phitsanulok adviser:

Dr. Surakiat Sathianthai once played a role in international trade negotiations during the time of the Chatchai administration. At that time, he was a member of the Ban Phitsanulok advisory team and was responsible for formulating a plan to implement things in accord with

the domestic and foreign economic policies. At that time, the United States, an important trading partner of ours, listed Thailand as a priority foreign country, or PFC, and implemented Article 301 of the U.S. trade retaliation law, which imposed very strict sanctions. The reason for listing Thailand as a PFC was that it accused Thailand of failing to respond to U.S. demands for fairness in trade on five issues:

- 1) Compulsory licensing on drug patents: The United States wanted Thailand to impose strict restrictions.
- 2) Thailand's copyright law was not being used in an efficient manner.
- 3) The United States charged that Thailand's import duties on cigarettes were too high.
- 4) The United States charged that Thailand was doing very little to protect internationally-recognized labor rights and threatened to cut our GSP [general system of preferences] rights.
- 5) The United States prohibited the import of tuna from Thailand, claiming that Thailand was buying tuna from countries where dolphins live (dolphins eat tuna) and that Thai fishermen were catching tuna using ring nets.

During this bitter "Cold War" on the trade front between Thailand and the United States, Mr. Phachon Isarasena Na Ayuthaya, the under secretary of commerce, and his negotiating team were able to stand up to the United States. But the United States then increased the pressure. For this reason, General Chatchai, the then prime minister, entrusted the Ban Phitsanulok advisory team with a special task and asked them to help resolve this problem. Dr. Surakiat was made responsible for matters having to do with copyright and drug patent laws. He worked in close cooperation with a team from the Ministry of Commerce (Dr. Subin Pinkhayan, the minister of commerce).

#### Negotiations with the United States:

In December 1988, the government assembled a large "army" to conduct trade negotiations with the United States. This delegation included Minister of Commerce Subin Pinkhayan (the vice chairman of the International Business Relations Policy Committee and chairman of the Thai-American Relations Subcommittee), Mr. Phachon Isarasena Na Ayuthaya, the under secretary of commerce, and Dr. Surakiat Sathianthai in his capacity as the Thai negotiating team's legal adviser.

There were reports that some people on the negotiating team were very unhappy, because putting Dr. Surakiat on the team showed a lack of trust in the Ministry of Commerce's work team, who were members of the Social Action Party. And there were rumors that this young adviser "pounded the table" and insulted our great ally, the United States. This was talked about after our negotiating team returned to Thailand, and it was



talked about a lot at the private New Year's party that the minister of commerce held for commerce ministry officials at his home on Sukhumvit Road. Reporters asked him if that had actually happened. No one denied the truth of the story. On the other hand, no one was willing to admit that the story was true.

However, there were reports that the Ministry of Commerce had hired Dr. Surakiat in his capacity as a member of the Law and Development Research Center, Faculty of Law, Chulalongkorn University, to conduct a study on ways to protect Thailand's intellectual property and that he had reported the results of the study. But Dr. Subin, the minister of commerce and the man who had hired him, refused to use the results and ordered that a new study be conducted, claiming that the results of the study were "unacceptable," too harsh, and in total conflict with the demands made by the United States.

Dr. Subin also issued an order prohibiting the units involved in negotiating with the United States from disclosing any information to outside units (which probably included the Ban Phitsanulok advisory team). He also announced that the Ministry of Commerce would be the only unit responsible for this. (THAN SETTHAKIT, No 418, 20 February 1989) It was feared that if the ministry used the results of this study as a framework for negotiations (the Social Action Party probably felt that that was the line of the Ban Phitsanulok advisory team), that would only increase U.S. dissatisfaction and possibly push the United States to use Article 301 against Thailand.

Dr. Subin transferred to another ministry:

It's difficult to know if this was something sudden or if it was appropriate. That is, shortly after that, there was a cabinet reshuffle in the Chatchai administration. Dr. Subin was transferred from the commerce ministry and appointed minister of foreign affairs in place of Air Chief Marshal Sitthi Sawetsila. Mr. Omret Silanon, a private businessman, was appointed minister of commerce in his place. In any event, the trade "Cold War" between Thailand and the United States abated during the time of the prior administration. This is the result of holding talks and promulgating laws in accord with international standards. Today, in the view of the United States, things have returned to normal with Thailand. We are no longer being vilified as in the past.

Arrested but soon released by the National Peacekeeping Council:

As a member of the advisory team to the Chatchai government, he carried out the tasks assigned him. He was arrested along with the prime minister and other

senior administration officials at Don Muang Airport when the prime minister was forced out of office at gun point by the National Peacekeeping Council headed by Big George, or General Sunthon Khongsomphong, the then supreme commander. Dr. Surakiat Sathianthai was the first person released by the National Peacekeeping Council. That was a great relief to Dr. Suthawan Sathianthai, his wife, and ML [royal title] Thawisan Ladawan, the king's secretary and father-in-law of Dr. Surakiat. That ended the political role of the Ban Phitsanulok group and of Dr. Surakiat. Only a small group of people knew that for about a year, Dr. Surakiat had been serving as a personal adviser to Mr. Banhan Silapa-acha, the head of the Thai Nation Party and the leader of the opposition in the House of Representatives. He was a "dark horse" in the view of outsiders, but he has been appointed minister of finance in the present administration. [passage omitted]

Dr. Narongchai Akkharaserani, chairman of the board of the G.F. Finance and Securities Company Ltd.:

I haven't been able to sleep since the night of the election. But I was encouraged by the fact that Mr. Bodi (Chunananon) was going to be appointed minister. I left for a conference abroad, and returned when the list of cabinet members was announced. The question I have is, How are we going to govern the country? The members of this cabinet were appointed for political reasons. Mr. Banhan is a very astute person. But there wasn't any other choice. These ministers were appointed because of political factors.

The new minister of finance is a lawyer. Looking at the bright side, he should be able to play an important role in amending some of the finance ministry's outdated regulations, including the currency regulations and the regulations on developing the securities market. I am sure that Dr. Surakiat is just as capable as Dr. Amnuai Wirawan when it comes to financial and monetary matters. As for operating policy, there is no reason to worry, because the course set by the prior administration in maintaining monetary discipline, implementing a free monetary policy, and developing the stock market will be followed by this administration. But the methods used to manage the state enterprises may be different.

Dr. Somchai Phokphatwiwat, professor in the Faculty of Political Science, Thammasat University:

The present government must quickly gain the confidence of the people and investors, because several of the newly-appointed ministers do not appear to be suited to their positions. An example is the Ministry of Finance. This has frightened investors. The stock market has given its answer. Fiscal and monetary management does not depend only on being a knowledgeable and

capable person. The person must also have prestige, because he must oversee many things, including the Bank of Thailand, the stock market, and the Securities and Exchange Commission.

This cabinet has both strengths and weaknesses. But it can turn those weaknesses into strengths. All it needs to do is achieve a few results and its popularity will rise. That's because people have given it such a low mark. But if it were rated highly but did very little, it would be difficult to form a clear picture, particularly regarding the economic situation. Its popularity will soar if it can keep inflation under control or solve this problem. The preparation of the budget will provide us with a good idea of how disciplined the minister is on the fiscal and monetary fronts.

Wichit Suphinit, governor of the Bank of Thailand:

Mr. Surakiat is the new minister of finance. He is a capable man who has been in government for a long time. There shouldn't be any problems, because the main function of the minister is to maintain fiscal and monetary discipline, monitor the development of the system, and oversee development on the tax front so that Thailand can compete with other countries. In particular, taxes must be adjusted so that they are more up to date.

The new finance minister is very intent on carrying out the monetary tasks. Thus, there isn't any reason to worry. The Bank of Thailand has always coordinated things with the minister of finance. We have, for example, always sent officials to help carry out things at the Ministry of Finance. And we frequently send economic reports and provide financial data. We also prepare various operations plans. The same is true this time. If a request is made, we will be happy to send officials to participate in things.

### Vietnam

#### Commentary Views Foreign Minister's U.S. Tour

BK2509133795 Hanoi Voice of Vietnam in English  
1000 GMT 25 Sep 95

[Station commentary]

[FBIS Transcribed Text] As we have already mentioned, Vietnamese Foreign Minister Nguyen Manh Cam is at present in New York to take part in the 50th session of the United Nations General Assembly [UNGA]. Much attention is being paid to his presence than before not only because this is the biggest international forum but also because of his very presence in the United States. Nguyen Manh Cam's tour of the United States takes place after a visit to Vietnam by U.S. Secretary of State Warren Christopher. Here is our comment:

It is not by coincidence that much attention is being paid to the Vietnamese foreign minister's visit to the United States. Different from previous times, Vietnam comes to the UNGA as a full member of ASEAN [words indistinct] as it plays an important role and has its own agenda following the UNGA. After addressing the UN forum, Foreign Minister Nguyen Manh Cam will lead a Vietnamese delegation consisting of ministers and deputy ministers of commerce, finance, the State Planning Committee, and the State Committee for Cooperation and Investment to visit Washington. There he and his entourage will meet U.S. officials to discuss economic and commercial cooperation between the two countries. It will be an opportunity for the two sides to study and exchange views to accelerate the signing of a trade agreement. Only after the signing of this agreement can Vietnam enjoy the most-favored-nation status [MFN] and preferential credit to the United States. It is an initial meeting but is of important significance because it will create conditions for each side to study issues relating to laws and procedures. This will lead to the signing of necessary agreements to create a foundation to achieve the cooperation between the two countries. With his tour, goals for economic and commercial cooperation between Vietnam and the United States will be established. This has been waited for by people of both countries.

#### Deputy Prime Minister Addresses Economic Forum

BK2509153995 Hanoi Voice of Vietnam in English  
1000 GMT 25 Sep 95

[FBIS Transcribed Text] Vietnamese Deputy Prime Minister Tran Duc Luong has attended the Fourth Summit of Europe and Southeast Asia sponsored by the World Economic Forum and the Singapore Economic Development Bureau in Singapore. There was a primary session at the conference on Vietnam under the theme: Vietnam, A New Dragon of the ASEAN.

Addressing the session, Mr. Luong introduced Vietnam's achievements in the course of renovation and [word indistinct] foreign investors for their coming to Vietnam. He said the Vietnamese Government will continue to create favorable conditions for foreign investors in Vietnam.

#### Meets With Goh Chok Tong

BK2509162795 Hanoi VNA in English  
1546 GMT 25 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sept. 25 — Singaporean Prime Minister [PM] Goh Chok Tong on Sept. 23 received Vietnamese Deputy Prime Minister Tran Duc Luong who was in Singapore to attend the

fourth Europe-East Asia Economic Conference held from Sept. 20-22 by the World Economic Forum (WEF).

During the reception, Deputy Prime Minister Luong conveyed the best regards from Prime Minister Vo Van Kiet to his Singaporean counterpart, Mr. Goh Chok Tong. He informed his host of Vietnam's socio-economic development in 1995 as well as its prospects from now to 2000. He also expressed his pleasure at the development of the Vietnam-Singapore relations, especially in the fields of commerce and investment.

The Singaporean P.M. Tong welcomed Vietnam's full accession to ASEAN and highly appreciated Vietnam's achievements in its current renovation process and in the attraction of foreign investment, and affirmed that Singapore as well as other ASEAN member countries wished to see Vietnam to be a prosperous country. He said that Vietnam should study other ASEAN countries' experiences and creatively apply them in its country with a view to pushing up economic development and narrowing the present economic gap between Vietnam and other ASEAN countries.

The same day, Mr. Luong had working session with his Singaporean counterpart Mr. Lee Hsian Loong.

Yesterday, Deputy Prime Minister Tran Duc Luong and his party left Singapore for home.

#### **Foreign Minister Leaves for UN Function**

BK2509165695 Hanoi VNA in English  
1533 GMT 25 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sept. 25 — A delegation of the Vietnamese Government led by Foreign Minister Nguyen Manh Cam left here today for New York to attend the United Nations' 50th anniversary celebrations.

#### **PRC's National People's Congress Group Visits**

BK2209162795 Hanoi VNA in English  
1530 GMT 22 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sept. 22. — Vice Chairman of the National Assembly [N.A.] Dang Quan Thuy received here today a delegation of the office of the National People's Congress of China led by Feng Lanming, deputy secretary general of the Standing Committee, now on a working visit to Vietnam at the invitation of the Vietnam National Assembly's office.

At the reception, guest and host expressed pleasure at new steps in the development of the long-standing relationship between China and Vietnam. Deputy Secretary General Feng Lanming expressed wishes for further promotion of the exchange of the two assemblies' ac-

tivities, thus contributing to strengthening the friendship between the two countries.

This morning, a delegation of the office of the Vietnam N. A. led by its Deputy Head Pham Thanh Son held talks with the Chinese delegation.

The two sides informed each other of their offices' activities and discussed concrete lines of cooperation in the coming time.

#### **Delegation Concludes Visit**

BK2409113195 Hanoi Voice of Vietnam Network  
in Vietnamese 1100 GMT 23 Sep 95

[FBIS Translated Text] Our country's high-level National Assembly delegation led by Chairman Nong Duc Manh left Singapore for home this morning after successfully concluding its official friendship visit to the Republic of Singapore and attending the 16th annual congress of the ASEAN Inter-Parliamentary Organization (AIPO) held in Singapore from 18-23 September.

Present at Changi International Airport to bid farewell to Chairman Nong Duc Manh, his wife, and our National Assembly delegation were His Excellency Yap Giau Cheng, vice speaker of the Singaporean Parliament, Vietnamese Ambassador Nguyen Manh Hung and many embassy cadres and employees were also on hand to see the delegation off.

During its stay in Singapore, our National Assembly delegation met and exchanged views with His Excellency Tan Soo Khoo, speaker of the Singaporean Parliament, and Foreign Minister Jayakumar. The delegation was also cordially received by Singaporean President Ong Teng Cheong, who noted with pleasure the new development of the friendly and cooperative ties between the two countries and congratulated Vietnam on its full ASEAN and AIPO memberships. The Singaporean president also asserted his country's willingness to share experiences and help Vietnam with its current national construction cause.

#### **Assembly Delegation Holds Meetings in Singapore**

BK2409110495 Hanoi Voice of Vietnam Network  
in Vietnamese 1100 GMT 23 Sep 95

[FBIS Translated Text] During its visit to Singapore this time, our National Assembly delegation also met with a delegation of the Malaysian House of Representatives led by Mr. Tan Sri Mohamed Zahir and with Mr. Antonio Cuenco, deputy head delegate of the Philippine delegation to the 16th congress of the ASEAN Inter-Parliamentary Organization (AIPO). Apart from the meetings and exchanges of views with leaders of the host country and participation in the 16th AIPO congress, our



National Assembly delegation conducted a fact-finding trip to learn about personnel organization and management from the Singaporean Land Transportation Department. The delegation also toured the oil refinery of Mobil Company, the Jurong Industrial Center, the Housing Development Department, Singapore Port, and a number of economic and cultural establishments. It also visited our embassy cadres and employees in Singapore.

#### **Party Delegation on Visit to China**

*BK2509163095 Hanoi VNA in English  
1546 GMT 25 Sep 95*

[FBIS Transcribed Text] Hanoi VNA Sept. 25 — A delegation of the Communist Party of Vietnam [CPV] Central Committee [CC] led by Dao Duy Tung [word indistinct] member and member of secretariat of the CPV Central Committee paid a visit to China from Sept. 18-25.

While in China, the Vietnamese party delegation was received by Mr. Jiang Zemin, general secretary of the Communist Party of China (CPC) and president of the People's Republic of China.

Earlier, they were received by and held talks with Mr. Hu Jintao, Politburo member and secretary of the CPCCC and also had working sessions with leading officials of the propaganda department and the international liaison department of the CPCCC.

They also made a tour of a number of industrial establishments in Beijing and other cities where they were warmly received by local officials. At these meetings, the two sides affirmed their desire for the strengthening of the friendly and cooperative relations between the two parties and peoples.

#### **Delegation Visits Cuba, Meets Fidel Castro**

*BK2509165095 Hanoi VNA in English  
1224 GMT 25 Sep 95*

[FBIS Transcribed Text] Hanoi VNA Sept. 25 — Dr. Fidel Castro Ruz, president of the state council and the council of ministers of Cuba, is delighted at the development of cooperation and friendship between Cuba and Vietnam.

Dr. Fidel Castro spoke while receiving a Vietnamese Government delegation led by Nguyen Cong Tan, minister of agriculture and food industry, and member of the Communist Party of Vietnam Central Committee, which paid a week long working visit to Cuba and attended the 15th session of the Vietnam-Cuba inter-governmental committee for economic, scientific, and technological cooperation.

At the session, a number of cooperation agreements were signed between the two countries.

Dr. Fidel Castro also thanked the Vietnamese people's precious assistance and strong support for the Cuban people's just cause for national construction and defend.

Minister Tan informed his Cuban host of the outcome of the committee's session, and said he hoped that Cuban-Vietnamese cooperative ties would be further enhanced.

#### **Violations at Foreign-Invested Enterprises Seen**

*952E0094A Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 6 Jun 95 p 2*

[Article by Duong Xuan Dinh]

[FBIS Translated Text] Since 1 January 1995, the day the Labor Code went into effect, there have been many strikes in Ho Chi Minh City, six of which have occurred in Hoc Mon District.

Most of the strikes have occurred at foreign-invested enterprises, and, in some cases, at enterprises controlled mainly by foreigners through specialists. There have been several large strikes, such as at Factory 2, Moun-tech Corporation, in Tan Binh with 700 workers, at the TNHH Thien Phu Corporation in Cu Chi with 250 workers, and at Factory 1, Hung Sang Corporation, in Precinct 11 with 240 workers.

A strike is a final weapon that laborers can use to fight to protect their legal and legitimate rights in productive labor. Article 7, Section 4, of the Labor Code stipulates that "laborers have the right to strike in accord with the stipulations of the law." However, labor disputes that lead to strikes not only hurt the laborers but also have a bad effect on production, and because of this, they also hurt the employers and create economic and social instability. Limiting strikes as much as possible and resolving labor disputes by negotiating and compromising are basic requirements from both a theoretical and practical standpoint.

It is not difficult to understand the reasons for the strikes that have occurred in the past period and since the beginning of year. The strikes arose because of conflicts between enterprise owners and laborers over forms, unit prices, wage periods, labor times, and so on. In general, these conflicts have been building for a rather long time. If people had exchanged views, negotiated, and made compromises, things might have turned out better. The Labor Code permits people to strike when there are collective disputes. But carrying out a strike in accord with the law is not easy. From a procedural standpoint, almost all of the strikes that have taken place in the past few years, including those since the Labor Code was

implemented, have been illegal. Although many of the proposals made by workers through strikes have been dealt with by employers, clearly, those solutions have not been positive or stable.

Let's look at the actual situation from the standpoint of implementing the law, specifically using the Labor Code to "regulate labor relations between wage laborers and employers and social relations directly related to labor relations." (Article 1 of the Labor Code) From studies conducted at a number of the units mentioned above after the strikes, the most striking thing is the fact that employers, laborers, and even functional organizations have implemented the legal requirements in a very limited and lax manner. A number of the enterprise owners have not correctly implemented the social insurance policy (Article 141 of the Labor Code) or the stipulations on work periods, labor sanitation, and public sanitation—particularly at places that use large numbers of female laborers—(articles 115 and 116 of the Labor Code). They have extended shifts, creating extended labor intensity. The payment of wages is slow and not in accord with the special characteristics of the production process. Most of the employers pay wages based on time. Naturally, the minimum wage in effect benefits the employers. Besides this, the attitude that a number of specialists have toward the workers is based on an owner-worker relationship and sometimes they even degrade the laborers. Few of the enterprises have registered with the Vietnam state management organizations with jurisdiction concerning vocational training and skills improvement programs and regulations. Some places have formulated things, but the terms are very vague (Mountech). Others have formulated drafts only after there has been a strike (the Hai Minh Corporation). The management organizations have given little attention to conducting state labor inspections (Part I, Chapter 16, of the Labor Code) at the work sites. According to data from the Labor, War Invalids, and Social Welfare Service, only 26 of the 640 central units located in the city have signed labor contracts and registered with the service and only 48 have registered collective labor contracts. Only 27 of the 600 units subordinate to the city have done this. What can we conclude when an enterprise director says that the shortcomings are due to the fact that he was unfamiliar with Vietnamese laws and yet, this foreign director has managed production activities for 3 years in Vietnam but still hasn't obtained a work permit from the Vietnam labor organization with jurisdiction as stipulated in Article 133 of the Labor Code (the director of the Hai Minh Corporation)? Some have said that the proposals made by the workers did not arrive in time or that they did not reach the director (a foreigner) because of the intermediary Vietnamese

managers (deputy directors, department heads, shop foremen, team leaders, and so on). Only about 30 percent of the non-state enterprises with more than 10 laborers have organized trade unions. Furthermore, the trade union executive committees in these places have, for one reason or another, failed to play their role well. The Municipal Labor Union, the ward and district labor unions, the trade unions in the various sectors, and the services and blocs are urgently investigating things, conducting surveys, and classifying the non-state commercial production units in order to have appropriate organizational measures. But it certainly won't be easy to organize trade unions in accord with the law in the remaining 70 percent of the units.

It can be said that strengthening propaganda among the people, particularly among laborers who work for a wage, and among employers is the most basic solution. At the same time, a comprehensive solution that will limit the bad effects of strikes is to resolve the labor disputes in accord with the law (Chapter 16 of the Labor Code, which is composed of 22 articles, has stipulations on this) and resolutely punish those who violate the labor laws (Section II, articles 192 to 195, of the Labor Code). In order to ensure the solutions stipulated in the Labor Code, there are still many things concerning state echelons that need to be perfected. This includes establishing a system of labor courts. Also, the legal documents of the government must contain concrete stipulations concerning punishments for violating the labor laws, and there must be a mechanism to ensure that the punishments are carried out effectively. Provincial and municipal labor arbitration councils and primary-level labor reconciliation councils must be established, or district and ward arbitrators must be assigned to places that do not have primary-level reconciliation councils. State labor investigations must be strengthened.

An active campaign must be launched to implement the Labor Code in daily life, and the key issues must be dealt with promptly by everyone from the government to the local organizations with power.

**Foreign Companies Increasing in Ho Chi Minh City**  
*BK2509150895 Hanoi Voice of Vietnam in English*  
1000 GMT 25 Sep 95

[FBIS Transcribed Text] The number of foreign company representative offices in Ho Chi Minh City has grown rapidly in the past five years, rising from only one to about 1,000 offices.

This year alone, the city has seen a speedy increase in an extra 400 offices. Of the 1,041 licensed offices from 42 countries, nearly half are involved in indirect business

transactions, while the rest covers a wide range from consultancy to banking.

### **Import-Export Turnover Exceeds \$6.7 Billion**

*BK2409110595 Hanoi Voice of Vietnam Network  
in Vietnamese 1100 GMT 23 Sep 95*

[FBIS Translated Text] By late August, the total import-export turnover nationwide had reached more than 6.7 billion U.S. dollars, with export products accounting for more than 3 billion U.S. dollars. The volume for most of export products has increased compared with the corresponding period last year. They included crude oil, tin, rice, and coffee. The volume of marine products has increased by 10-38 percent. Coal alone has increased by more than 96 percent compared with the corresponding period last year. The volume of other export products has also increased considerably. For example, oil and gas and sugar have increased by 8-31 percent. The volume of monocycles alone has increased by 110 percent.

### **Minister Discusses Economic Development Policy**

*952E0095A Hanoi KINH TE VA DU BAO  
in Vietnamese Jul 95 pp 3, 4*

[Article by Minister Le Xuan Trinh, director of the Office of the Government]

[FBIS Translated Text] Continuing to implement the renovation line, in recent years economic and social life in Vietnam has changed greatly. Our GDP has increased at a high rate: 6 percent in 1991, 8.6 percent in 1992, 8.1 percent in 1993, and 8.8 percent in 1994, which is an average of 7.8 percent a year during the period 1991-1994. In 1995, it is expected to increase at a rate of approximately 10 percent. This growth has been fairly all around, in agriculture, industry, construction, services, the import-export trade, and so on. Economic growth is tied to an increase in the rate of investment in development, particularly investment using domestic capital, the initial positive changes in the economic structure (in Vietnam's present economic structure, industry accounts for approximately 22 percent, agriculture 35 percent, and services 39 percent), and our ability to control inflation. The continuous economic growth of the past few years has created a basis for gradually improving the lives of the people, stabilized the social situation, and contributed to expanding science and education and protecting the health of the people.

The most important task of the development period is to achieve ever faster and firmer economic growth based on achieving a balance between economic growth and cultural development and social progress and justice.

1. The policies on capital have great importance. During the past 4 years (1991-1994), investment in developing all of society has reached a high level. If the 1995 plan is fulfilled, for these 5 years, we will have exceeded the investment level as called for in the strategic target to the year 2000. However, the capital needs of the final 5 years of this decade are quite heavy. It is estimated that we will need approximately \$7-8 billion a year, with at least half coming from domestic sources.

In Vietnam today, there are large sources of capital available among the people and enterprises. To exploit and make effective use of these sources, the government of Vietnam has implemented policies to encourage savings, created favorable conditions to encourage domestic investment, and used such forms as issuing bonds and selling shares in many state enterprises. Preparations are being made to establish a capital market and stock market. The operations of the banking and finance system have been renovated in order to mobilize the idle capital in the savings and insurance funds.

As for the investment capital in the state budget, the government has implemented policies and measures to make effective use of this capital. Specifically:

To manage the sources of capital efficiently and to concentrate investments on key projects, particularly economic and social infrastructure projects.

To revise and perfect the budget's investment capital management mechanism and renovate the investment credit management mechanism of the state.

To ensure that capital is provided for approved projects at the planned rate.

Direct foreign investment capital will play an important role in implementing Vietnam's growth policy. In 1988, there were only 37 projects totaling \$320 million in registered capital, with most of this being capital in the oil and gas survey sphere. In 1989 and 1990, neither the number of projects nor the amount of capital increased very much: In 1989 there were 70 projects with \$520 million in registered capital, and in 1990 there were 111 projects with \$560 million in registered capital. But since 1991, the situation has changed greatly:

In 1991, there were 155 projects with \$1,338 million in registered capital.

In 1992, there were 193 projects with \$2,117 million in registered capital.

In 1993, there were 272 projects with \$2,887 million in registered capital.

In 1994, there were 362 projects with \$4,071 million in registered capital.



During the first 5 months of 1995, there were almost 170 projects with registered capital of more than \$3.6 billion, triple the amount at the same time last year and equal to almost 86 percent for all of 1994.

Of the more than 1,386 projects that were issued permits, 215 were not implemented or were disbanded before the end of the time limit. Thus, at present, there are 1,153 projects now in operation with \$14.4 billion in registered capital.

The amount of capital pumped into Vietnam to implement the projects has increased rapidly during the past 3 years. During the period 1988-1992, the amount of capital was slightly more than \$1 billion. But in 1993, there was \$1.1 billion, and in 1994 there was \$1.5 billion. And for the first 5 months of 1995, the amount has reached \$850 million. Thus, from 1988 through the first 5 months of 1995, the amount of capital invested here has reached \$4,435 million.

Recognizing the importance of attracting these sources of capital, the Vietnamese government has implemented uniform positions and policies and promulgated new documents aimed at improving the investment environment. At the same time, it has controlled things and promoted fulfilling the investment commitments, particularly transferring technology and protecting the environment. In the coming years, it will continue putting forth measures to promote putting the registered capital to use and strengthen state management with respect to the production installations that have gone into operation so that they soon have an effect on the economy. At the beginning of 1995, the government revised the administrative procedures and the procedures for evaluating and managing foreign investment projects. It reduced the procedures to a minimum, made progress toward implementing a single policy, reduced taxes, and created favorable conditions for foreign investors to invest in Vietnam. As for Official Development Assistance (ODA) capital, at the 1993 international aid donors conference and at the 1994 advisers conference held in Paris, \$3.86 billion in aid was pledged for Vietnam. To make effective use of this capital, the important thing is that the government must formulate major guidelines for long-term, medium-term, and short-term investment and development projects. In this, there must be ODA investment use guidelines.

2. We are continuing to adjust Vietnam's economic structure in order to develop the economy along the path of industrialization and modernization and renovate the agro-forestry-piscicultural structure.

The decisive thing for industrial development based on the guideline of industrialization and modernization is to correctly determine what needs to be given prior-

ity and the spearheads of development. For example, in industry, we will invest in expanding the processing industry, light industry, the electronics industry, a number of large-scale basic industrial projects involving electricity, coal, and the extraction and processing of oil and gas, and so on. The policies on regional patterns will be implemented based on giving priority to building and establishing key economic sites, which can serve as prime movers to help other regions in the country develop.

3. The policy of varying the economic elements is aimed at exploiting the potential and improving the operating results of the economic elements that have stimulated economic growth. The state enterprise sector is being reorganized by concentrating on the key sectors and spheres and the production installations that require much capital and high technology. Those enterprises that do not need to be maintained as state enterprises will be dealt with by changing the form of ownership, such as by selling shares, signing contracts, leasing them out, incorporating them, or disbanding them. The government is reviewing the experiences of the test sites in order to draft legal documents to implement the policy of selling shares in state enterprises more quickly and conveniently.

As for the nonstate economic sector, we are continuing to renovate the existing cooperatives and develop new forms of economic cooperation in the rural areas based on exploiting the independent role of the peasant household economy. As for the private economy, laws, legal documents, and stipulations necessary to maintain operations have been implemented, and these are being reexamined in order to eliminate those stipulations that might cause problems or difficulties for the operations of these economic elements. On the other hand, the state will strengthen control based on the laws in order to prevent and control illegal activities, which could have a bad effect on economic growth.

4. In the growth of Vietnam's economy today, the issue of consumer markets is becoming a very important factor. This cannot be dealt with passively like the place to deal with the results of production. Instead, this must be the starting point of production. Based on this view, there must also be policies to encourage strengthening and expanding domestic markets. The government is focusing on policies to ensure that the export rate is faster than the general economic growth rate, gradually improve the export structure, and improve the quality of the main export goods. The basis for quickly increasing the export value is to secure our existing markets, restore traditional markets with the countries of the former Soviet Union and East Europe, and open up new markets in Europe, the Middle East, Africa, and Latin

America. The American market holds great potential. Vietnam must conduct detailed studies in preparation for penetrating that market.

5. The economic growth policies discussed above encompass solving the important social problems, such as creating jobs, increasing incomes, and improving the lives of the people. The government of Vietnam will continue promulgating specific policies aimed at developing the spheres of education and training, culture, science and technology, public health, and physical education in an effort to create harmony between economic growth and social development, improve the people's standard of culture, strengthen the ranks of laborers and cadres, and train the younger generation in order to carry out the task of developing the country.

#### Minister Discusses Administrative Reform

BK2309075995 Ho Chi Minh City THOI BAO KINH  
TE SAIGON in Vietnamese 31 Aug-6 Sep 95 pp 8-9

[Interview with Minister Phan Ngoc Tuong, head of the Government Organization and Cadre Committee, by Ha Thanh Son; place and date not given]

[FBIS Translated Text] [Ha Thanh Son] Mr. Minister, administrative reform is an issue of primary concern for the Government and broad sections of the population. Please tell us a number of major points of this task.

[Phan Ngoc Tuong] As everyone knows, administrative reform has become an important issue and a primary task for the Government, particularly since January 1995 when the Eighth Party Central Committee Plenum (seventh term) decided to continue to build and perfect the State of the Socialist Republic of Vietnam by devoting efforts to improving the state administrative system.

The Government has initiated the administrative reform program since the conclusion of the Eighth party Central Committee Plenum. Ministries, ministerial-level agencies, government agencies, and people's committees of the provinces and cities under the direct management of the central government have responded to this administrative reform program. Efforts are being concentrated on the following fundamental issues to build a uniform, smooth, pure, and efficient administrative system to materialize goals of making the people rich and the nation powerful and of bringing about justice and civilization in society:

- Reform of the administrative system: The Government is making continuous efforts to effect basic changes in the administrative procedures governing the seven domains of socioeconomic development. The Government has directed the implementation of this program since

April 1994 to improve the fundamental relations between the state and citizens and organizations, to create conditions for national economic development, and to better serve the people.

Jurisdiction over administrative affairs is removed from the administrative system and transferred to the judiciary system. Continued efforts are made to perfect the newly-established economic systems. For example, the State Business Law and Commerce Law have been promulgated and the draft law on budget and the documents on management of public funds and public property have been compiled. A number of regulations on local administrative management division in the form of ordinances have been prepared. They include the ordinance on the rights and duties of People's Councils and People's Committees at all levels, the ordinance on the supervision and direction of the National Assembly Standing Committee, and the ordinance on the inspection and direction of the Government over People's Councils at all levels.

- Organization of the mechanism: The Government has reorganized the management of capital originating from the national budget and now plans to reorganize ministries, ministerial-level agencies, and government agencies in the direction of reducing the number of key government organizations. It can be said that this move belongs to the general trend of all countries in the world. Steps have been taken to organize multisectorial ministries to gradually abolish the system of managerial control over business establishments. Plans have been worked out to clearly define the functions and power of ministries and ministers to oversee macro-socioeconomic activities of sectors and areas under their charge. Efforts have been made to reorganize state business establishments into strong organizations (there remain more than 6,000 of them). In fact, since the beginning of this year, the Government has decided to set up 16 strong general corporations like the Electricity General Corporation, the Vietnam Coal General Corporation, the Cement General Corporation... Efforts have also been made to reorganize the system of professional agencies and set up major training and scientific research centers like national universities (our country has 105 colleges and universities and 286 scientific research centers...). Plans have been worked out to ensure that each ministry or sector has one or two major scientific research facilities...

- Human resources management and development: The Government is preparing the conditions for shifting to the application of the civil service system. This marks a fundamental change in the improvement of the personnel system under the new conditions. The civil service system was established in our country in 1950

by Order 76 signed by President Ho Chi Minh on 20 May 1950 but it could not be implemented due to the war. Now we have the conditions for implementing this civil service system.

The government is urgently preparing public service legislations, such as the ordinance on civil servants, the public service statute, the managerial structure of civil servant hierarchy, and regulations on training and advanced training for the civil servants in various fields.

[Ha Thanh Son] How many civil servants and how many ministries, ministerial level agencies, and other agencies does the government have at present? What direction will the reorganization take?

[Phan Ngoc Tuong] In broad terms, if we exclude the army and public security forces, we have around 1,130,000 civil servants. Among them, 176,000 are working in state administration agencies from central to district levels, and 960,000 in professional agencies (public hospitals, public schools, research institutes, and so forth). The percentage of the state administration contingent is only 16 percent of the total and constitutes about 0.25 percent of the population.

The most critical issue at present is the quality of the public service force. The administration reform policy in this area pays special attention to building up a force of state administration officials who are experts in administrative practices and highly devoted to the public service in order to be able to ensure effectiveness and efficiency of the state management system. At the same time, the policy also pays attention to the building up a professional administration force, which performs well the role of serving the public.

In terms of structure, at this point the government has 20 ministries, seven agencies at ministerial level, and 26 specialized agencies directly managed by the government. The total is 53, and compared to the government structure of other countries, ours is still cumbersome and cannot meet the demand of reorganization of the ministries system where one ministry should be responsible for several areas, especially in the period of transformation to the market economy.

For this reason, in terms of structural reforms, the government is preparing to restructure the ministries, agencies at the ministerial level, and other agencies under the government in order to reduce the number of agencies and state organizations to respond effectively to the demand of the administration system in the new era.

[Ha Thanh Son] What is the current situation of the tasks of training and further training for the public service

contingent, and the reorganization of the network of civil servant training schools countrywide?

[Phan Ngoc Tuong] Our contingent of civil servants was established in the period of central planning management and was influenced by the war-time management style. In the process of transformation to the market-oriented economy, and especially when we join ASEAN and expand our relations with other countries in the world, our contingent of civil servants will show a lack of efficiency, experience, and ability to cope with new demands. That is why the task of training civil servants has become not only an urgent responsibility for the short term, but also for long term strategic contents, which will be decisive for the success of administration reforms in the renovation undertaking of our party.

At present the government is focusing on planning for training, retraining, and refresher courses for state employees to build up an effective contingent who will be properly classified into the public service grades ladder from now to the year 2000. Some concrete work is being complemented, such as the organizing of training courses for corresponding public service grades, the training of judges for administrative tribunals, and computer and foreign language training for state employees in leading and management positions. Recruitment will be based on training background, tests will be made compulsory for young applicants, and appropriate in-service training will be arranged for mature state employees who lack the necessary training due to the prolonged war.

A decisive factor related to the training and retraining of state employees is the reorganization of training institutions. At present our state employees training system consists of the National Administration Institute; 29 centrally-managed training and retraining centers; and all 53 provinces and centrally-managed cities with their own civil servant schools, which are either called administration or political schools. However, in terms of structure, methodology, and curriculum, the system is not able to meet the demands of the administration at a time when we are opening our doors and integrating into the world for the sake of development. For that reason, the reorganization and upgrade in the quality of the systems of the training centers will receive proper attention from the government.

[Ha Thanh Son] Being the leader of the main agency responsible for administrative reform, what will you do to speed up the reform program for our state administration?

[Phan Ngoc Tuong] I always hold that administrative reforms are an important factor contributing to the stability and development of the country. They also



create conditions for the renovation of the economic structure to serve the causes of a prosperous people, a strong country, and an equitable and advanced society. We have achieved considerable economic success. Our GDP growth rate reached 7.5 percent during 1991-94, and we are striving to bring it up to 10 percent in 1995. Foreign investment is increasing. Since 1988, we have issued licenses to 1,300 investment projects with a registered capital of \$14.4 billion. Now we need to reform our administration to further accelerate economic renovation. Furthermore, state administration reforms are also practical means to ensure the popularity of our state, to strengthen the relationship between the state and the people on the principle that the state serves the development needs of the people and the fatherland. To carry out comprehensive renovation, the state must have a strong administration with a strong party.

In my opinion, to accelerate the administrative reform program, we must pay attention to the following fundamental issues:

First, in the short as well as in the long term, we must attach importance to the human factor because "if we want to reap profits in 10 years, we should plant trees, but if we want to reap profits in 100 years, we should train people." Therefore, it is necessary to train a contingent of state employees who are capable of fulfilling new tasks and of assuming key positions. It is important to create every condition for talented and virtuous citizens to become state employees who, in turn, must improve and use their skills and talents to serve the fatherland and people.

Second, administrative reform is a long and complicated process because it requires changes in society in terms of thinking and action, the formulation of legal documents and policies, and the application of laws to real life situations. Therefore, it is necessary to make objective reviews and assessments of personnel organization and personnel management, as well as learn from the experiences of other countries. Changes in the system, arrangement of the mechanism, and personnel organization must all be based on the viewpoints and guiding principles governing the need to continue perfecting the state of the Socialist Republic of Vietnam as mentioned in Resolution 8 of the Party Central Committee, seventh term. Furthermore, it is necessary to base them on objective and scientifically sound plans and fight against all signs of arbitrariness, subjectivism, and imitation on this very important reform front.

Third, concentrated efforts must be made to improve the management of public funds and public property. Given the fact that our country is poor, to implement the national industrialization and modernization program,

we must step up efforts to generate capital from the national economy and must also know how to mobilize and make an effective use of capital from foreign countries. It is necessary to improve budget planning and management, avoid unnecessary spending, and concentrate financial resources on implementing key national development projects.

Fourth, state administrative reform is of a sociopolitical and technical nature. Therefore, the positive participation of the people through such political organizations as the Vietnam Fatherland Front and other mass societies constitutes a factor of success for the reform program. The reason is because it is the people who implement the program and benefit from its results.

The above is a number of views. What about actions? Well, like other officials in charge, I will do all I can and use the work experiences of a member of the Government to fulfill my duties and responsibilities.

#### **State Bank Plans To Continue 'Tight' Policy**

*BK2509121595 Hanoi VIETNAM INVESTMENT  
REVIEW in English 7-13 Aug 95 p 12*

[Report by correspondent Nam Binh]

[FBIS Transcribed Text] HOPING to hold current inflation to last year's rate of 14.5 per cent, the State Bank of Vietnam announced it will continue "a tight monetary policy."

The Consumer Price Index in the first half of this year rose to 11.4 per cent, about seven per cent higher than during the same period last year. The inflation rate may worsen as the amount of money in circulation grows, said State Bank Governor Cao Si Kiem.

"Curbing inflation demands that the central bank more closely controls both channels of money supply reallocated credit and foreign currency buying—right at the beginning of the third quarter," said Nguyen Dong Tien, vice director of the State Bank's Economic Research Department.

Under this policy, the State Bank of Vietnam will limit relending by commercial banks while stepping up its collection of matured and overdue loans. It will also no longer extend matured loans.

By mid-1995, the State Bank's amount of loans to different economic sectors jumped by 19.1 per cent compared to late-1994, thanks to a 27.8 per cent increase in deposits.

This high number of loans led to an increase in arrears.

According to the State Bank, overdue bank loans accounted for 4.9 per cent of total arrears by May 1995.

a 0.12 per cent increase compared with the end of 1994. The Foreign Trade Bank of Vietnam had the largest proportion of overdue loans, about 11.7 per cent of the total arrears, two-thirds of which are in foreign currency.

The State Bank said it would continue enforcing the credit quota for State commercial banks to encourage them to rein in outstanding debt and increase revolving credit.

While waiting for the National Assembly to approve the exemption of banks from turnover tax, the State Bank may reduce interest rates for business loans.

The State Bank will also closely monitor "agreed interest rate" loans of commercial banks to avoid pushing up credit interest rates which would affect the price index.

Commercial banks, however, will still be encouraged to grant medium- and long-term loans "to help businesses strengthen their production capacity to promote economic development."

The State Bank said it has already worked out a plan to increase the interest rates of those loans to the rate of maximum short-term loans. This could help it reach the goal of increasing medium- and long-term loans by 41 per cent over last year.

Foreign exchange management will also be closely followed. In its vaults, the State Bank intends to concentrate its foreign currency reserves, including Ministry of Finance funds now deposited at commercial banks. In July, it began withdrawing all foreign currency deposited in domestic banks except the Foreign Trade Bank which is allowed to maintain a sum defined by Kiem.

These measures are part of the State Bank's pledge to the Government: "The National Foreign Currency Reserve Fund is the source to stabilise the exchange rate and will be used for purposes decided by the Prime Minister."

Thus, monetary policy developed by the State Bank since early this year will be readjusted to curb inflation.

Some economists and members of the State Bank's managing committee, however, expressed concern that "tight monetary policy" may be incompatible with high economic growth. Overcutting credit sources would stunt that growth, they said.

The State Bank's other policies were also questioned.

Instead of lending money to commercial banks, the State Bank uses treasury bills as a lending tool which gives it stricter control over money in circulation, and hence the inflation rate. But its mechanisms for controlling

credit quotas and enforcing rates of mandatory reserves of commercial banks is weak.

Tien said in the past, only nine of the 30 stock commercial banks of Vietnam have implemented strict regulations on mandatory reserves. Even some State-run banks have violated this regulation.

From the foreign exchange management viewpoint, even though the State Bank considered the interests of businesses when it tightened the use of foreign currency, it has done nothing to make it easier for businesses to buy foreign currencies.

Observers note that since the State Bank doesn't have strong tools to implement its monetary policy in a market economy, it plans to increase the interest rate of deposits to ensure that money stays in banks during an inflation crisis.

#### Energy Ministry 'Experts' Divided Over Plan

BK2509124095 Hanoi VIENTNAM INVESTMENT  
REVIEW in English 4-10 Sep 95 p 6

[Report by correspondent Le Vinh]

[FBIS Transcribed Text] Experts from the Ministry of Energy (MoE) call nuclear power the best path to development of Vietnam's energy sector, but others say the nation is far from ready to court the atomic option.

"The most crucial issue is the treatment of radioactive waste, which is still a big problem all over the world," said Le Van Hung, an expert advisor to the Environment Department under the Hanoi People's Committee.

Hung said that some developed countries now using nuclear power do not treat radioactive waste but simply dump it into the sea. "That will badly pollute the environment," he added.

"We must talk about treatment now," he said.

"It is very expensive and should be factored in to any nuclear power development programme."

Earlier this month, a think tank of Vietnam's nuclear power experts proposed the Government develop a US\$3 billion nuclear power facility by 2015 to meet the spiraling local demand for electricity.

Professor Cao Chi, initiator of the proposal to go nuclear, said that a method to reduce radioactive seepage into the environment has been created. Chi hopes the treatment technology will soon be available to Vietnam. With this technology, Chi said, "the waste will be frozen in very thick concrete blocks and buried deep under the ground," a method, Chi said, that is now being used by European nations.

Though insisting that this method is proven safe worldwide, Chi admitted that treatment would place a heavy burden on Vietnam's meagre national budget.

According to Hung, Vietnam is still a poor nation which cannot afford the construction of a nuclear power plant, "though the nation's situation might change in the 21st century."

"This [nuclear power] is a too big a matter," he said. "Thermo- and hydro-electricity is much cheaper."

Hung said that Vietnam's oil potential might be the answer to the country's energy woes. Vietnam has projected a demand of 100 billion kWh by 2010. Oil reserves in the country's continental shelf show promise as a future energy source.

Additionally, Vietnam's coal reserves can fuel the energy industry over the next decade, according to Hung. "Why not try to build some more thermo-power stations instead," he said.

According to Hung, Vietnam has no capacity to control a nuclear power plant. "If we had one, we would probably not know how to make it work," he said.

Professor Cao Chi agreed that technical training is essential to the proposed construction of a nuclear power station by 2015. "We are seeking opportunities to send scientists abroad for training," he said.

Many MoE officials support the project, saying that the supply of solid fuels in Vietnam is limited. Even electricity generated by hydro-power stations should not exceed 70 per cent of a nation's total output, they said.

"It is a strategic study," an official from the ministry told the Vietnam Investment Review, adding that the Prime Minister has not yet decided if Vietnam should adopt the plan.

"But a nuclear power plant is needed if Vietnam hopes to become an industrialised and modern nation," he said. According to MoE estimates, Vietnam needs a per capita output of 1,000 kWh to meet its goal of modernisation.

Le Ba Nhung, director of the Electric Research and Planning Company No 1, said that Vietnam's hydro-electric resources have a limit and that they could generate at most 70 per cent of the total output targeted for the year 2010. Nhung is now in charge of a feasibility study to build Vietnam's largest hydro-electric dam in Son La, northwest Vietnam.

#### Deputy Energy Minister on Electricity Industry

BK2509132995 Hanoi VIETNAM INVESTMENT REVIEW in English 4-10 Sep 95 p 25,27

[Article by Deputy Energy Minister Nguyen Duc Phan]

[FBIS Transcribed Text] HAND-in-hand with the country's recent economic growth, Vietnam's electricity industry has expanded impressively to accommodate the upsurge in demand.

Increased power needs have also been prompted by the influx of foreign investors, and it is the assistance of foreign investment on which Vietnam will have to rely to realise expansion plans.

Electricity demand has been projected to rise around 15 per cent a year from now through the next 10 or 20 years. To prepare for this dramatic boost, Vietnam plans to generate as much as 26-29 billion kWh by 2010.

This year, all of Vietnam's operational power stations will churn out a combined total of about 1.4 billion kWh of electricity.

The Ministry of Energy (MoE) plans to build thermo-electric plants in Phu My and Quang Ninh with capacities of 1,800-2,400 mW and 600-1,200 mW respectively. The MoE expects coal to remain the staple fuel for future power stations.

As for development of hydroelectric plants, Vietnam has its focus on the following projects: Son La (3,600 mW), Ban Mai (400-500 mW), Dai Minh (400 mW), Se San 3 (300 mW) and Pleiku (120 mW). A good portion of investment will tend toward the task of bringing electricity to rural regions, particularly to mountainous regions and small islands.

The Vietnamese Government has already allotted a good part of its national budget toward power projects, including the 1,487 km, north-south 500kV transmission line. Along this stretch, four transformer stations, with a total capacity of 2,700 mW, regulate the power flow.

Other major power projects funded by domestic investment include the Thac Mo hydroelectric plant (160 mW), the Vinh Son hydro electric plant (66 mW), the Ba Ria gas turbine group (185 mW) and the soon-to-be operational Yali hydro electric plant (720 mW).

To distribute electricity from these stations throughout Vietnam, a 220-110 kV transmission system is in place, with lines measuring a total of 7,050 km. The total capacity of transformer stations located along these lines stands at 6,400 mVA.

Years ago, the former Soviet Union helped the country establish the Pha Lai thermoelectric project and hydro-electric stations in Tri An and Hoa Binh. And in the past,



China, Germany and Sweden have shared their knowledge with Vietnamese engineers to revive the country's war-ravaged power infrastructure.

The funding for these initial projects came primarily from soft loans and nonrefundable aid packages.

The Japanese Government has recently granted several soft loans to Vietnam to establish three additional power plants: Phu My gas- electric plant (with capacity of 600 mW), Pha Lai coal-electric plant (600mW) and Ham Thuan hydroelectric plant (472 mW).

With bidding procedures for these three projects already arranged, Vietnam hopes to see construction begin by the end of 1995 and power start to flow as early as 1998.

Vietnam has also recently signed up for a US\$165 million loan from the World Bank and a US\$80 million loan from the Asian Development Bank to improve the electricity distribution networks in major cities such as Ho Chi Minh City, Hanoi, Hai Phong, Nha Trang and Hue.

The bidding procedures for these projects have already been completed and bidding proper is expected to start by early next year.

Last year, the Swedish International Development Authority (SIDA) pledged SEK200 million (about US\$30 million) in nonrefundable aid for Vietnam's power sector. Officials are using the fund to renovate and upgrade electrical facilities in Hanoi, Da Nang and Qui Nhon.

Other initiatives benefiting from this fund include the restoration of Thu Duc thermoelectric plant, buying equipment for the northern electric-adjustment network, and a feasibility study for the Sesan 3 hydro electric plant.

Apart from Sweden and Japan, soft loans and technical assistance have also been provided from these countries: France, Switzerland, Germany, Finland, Belgium and Ireland.

The estimated total cost for these projects is around US\$1 billion, an amount that Vietnam alone will not be able to cover. More foreign investment, more loans and more aid packages are vitally needed.

#### **Do Muoi Addresses Study Course of Key Cadres**

*BK2409144095 Hanoi Voice of Vietnam Network  
in Vietnamese 2300 GMT 23 Sep 95*

[FBIS Translated Text] A two-week studying course on party documents, lines, and policies organized for leading cadres concluded in Hanoi on 23 September. This is the first studying course convened by the party Central Committee's Secretariat to allow key leading cadres of provinces, sectors, and mass organizations

at the central level to make an indepth study of the party lines and policies and to review the theoretical and practical aspects of various issues relating to the renovation.

Through this course, various leading cadres from the provinces and sectors will be able to continue their studies and contribute their ideas to building and developing party lines and policies, especially in formulating documents for party organization congresses at various levels as well as those for the Eighth National Party Congress.

Party General Secretary Do Muoi visited and addressed the course. He commended the attending cadres for their efforts in studying. He also answered many questions on various important issues asked by these leading cadres.

#### **Ninh Binh Party Organization Congresses Reported**

*BK2409145495 Hanoi Voice of Vietnam Network  
in Vietnamese 1100 GMT 24 Sep 95*

[FBIS Translated Text] To date, 22 out of the 53 party organizations and chapters of Ninh Binh Province have completed their congresses at various levels. Reports and ideas presented at these congresses correctly appraising the weak and strong points of various party organizations and chapters during the past term while asserting their tasks and duties for the next term.

During the past period, despite numerous difficulties, various party organizations, cadres, and party member have made great efforts to satisfactorily fulfill the political task assigned by the province.

#### **Khanh Linh District Holds Experimental Congress**

*BK2509041095 Hanoi Voice of Vietnam Network  
in Vietnamese 1430 GMT 24 Sep 95*

[FBIS Translated Text] The standing party committee of Khanh Linh District in Binh Thuan Province has selected Phuoc Tan village for the holding of an experimental grassroots party congress for the 1995-97 official term. Khanh Linh District will apply experiences drawn from this congress for local congresses in other localities.

As of the end of August, eight party chapters and committees have held their congresses. The last 27 party organizations will complete their congresses in September.

General speaking, the local party chapters and committees are satisfactorily fulfilling the requirements for a party congress set out in Directive No. 21; correctly evaluating the local situation, the achievements, and the shortcomings; drawing management experiences from past party committees; clearly defining the goals and

targets for the next party committee; contributing opinions to draft party documents from higher levels; and electing new party committee members and delegates for higher party congress.

**Quang Nam-Danang Reviews Mass Mobilization Work**

*BK2509134895 Hanoi Voice of Vietnam Network  
in Vietnamese 1100 GMT 25 Sep 95*

[FBIS Translated Text] The Quang Nam-Danang Party Committee recently held a conference to review results in implementing the Sixth Party Central Committee's Resolution No. 8B on renovating the mass mobilization

work and strengthening relations between the party and people. The conference also reviewed results in carrying out the youth-related tasks and measures to promote the all-people unity bloc.

The conference noted that through experience drawn by Quang Nam- Danang Province, it showed that the mass mobilization work was unsatisfactory and the people's revolutionary action movement had not materialized in localities where basic party organizations were weak and party members incompetent, the local administration was incapable, internal unity was poor, and negativism was prevalent.

### Australia

#### Government To Keep Pressure on France Over Tests

LD2509125495 Melbourne Radio Australia  
in English 1200 GMT 25 Sep 95

[FBIS Transcribed Excerpt] Gordon Bilney, Australia's minister for Pacific island affairs, says France cannot claim legal justification for its underground nuclear tests just because New Zealand's action against it failed in the International Court of Justice at The Hague. Mr. Bilney says the court ruled only on procedure and not on the merits of the case in denying New Zealand the right to reopen a 1973 action against France's atmospheric testing. Mr. Bilney says there is no prospect of taking further action in the international court because France withdrew recognition of it after 1973. However, he told parliament the effort in The Hague had done some good. [passage omitted]

Mr. Bilney says Australia will continue to do what it can to apply pressure on France, and the issue of nuclear weapons will be a concern of Foreign Minister Gareth Evans at the United Nations General Assembly next month.

#### Foreign Minister Seeks UN Support on Test Ban

BK2609060395 Melbourne Radio Australia  
in English 0500 GMT 26 Sep 95

[FBIS Transcribed Text] Australia's foreign minister, Gareth Evans, says he hopes the current session of the United Nations General Assembly will further the cause of global opposition to nuclear testing. Sen. Evans is leaving Australia for New York, where he will address the General Assembly next Monday. Sen. Evans says Australia is looking for the widest possible support among UN member nations the resolution opposition nuclear testing program. [sentence as heard] The resolution will call for the Comprehensive Nuclear Test Ban Treaty to be concluded by next year.

Sen. Evans said the assembly session will also be the focus of efforts to reform and reinvigorate the United Nations, now in its 50th year.

#### Commentary Views Keating's Approach on Indonesia

BK2509153695 Sydney THE AUSTRALIAN  
FINANCIAL REVIEW in English 20 Sep 95 p 15

[Commentary by Greg Earl]

[FBIS Transcribed Text] As Paul Keating started his Bali news conference last Sunday he had the sort of confident, feline grin that indicates an imminent burst of prime ministerial rhetoric.

And that wouldn't have been surprising after the unusually warm reception the region's longest-serving leader had just given him in the full glare of the Australian and Indonesian media.

But when the brief appearance finished there had been relatively little extravagant language about Australia and Indonesia and no claims about any breakthroughs from the meeting with Indonesia's President, Mr Suharto.

It was left to Indonesian State Secretary, Mr Moerdiono, to suggest the meeting had paved the way for Indonesia to move ahead with the appointment of a new ambassador to Canberra.

Four years after Mr Keating launched himself into Asian diplomacy with all the fervour of a new religious convert, it was important to establish that regular working meetings will occur between leaders without major announcements or overblown claims about the importance of the occasion.

The gap between rhetoric and reality that has crept into relations between Australia and Indonesia played a key part in the row over the ambassador. That made Mr Keating's cautious approach to predicting a resolution the right way to re-boot the relationship.

While the Government's aggressive approach to encouraging engagement with Asia has clearly opened doors for some businesses it is time for Australia to consider the benefits of turning down the volume of its Asian push.

That has been demonstrated over the past few weeks by the starkly different results of two separate Australian government initiatives to formally link the country with its northern neighbours.

In August, the campaign to win a seat at next year's summit of Asian and European leaders revealed the quite widespread support for an Australian role in the region. But it also left a bad taste about pushiness, exemplified by the publication of a government map placing Australia in the centre of the East-Asian hemisphere.

The foreign editor of Singapore's generally sympathetic THE STRAITS TIMES, Mr Felix Soh, wrote: "This was perceived as not just a show of boorishness, but plain arrogance. The quicker it (Australia) realises this, the quicker it can win acceptance by Asians."

But last month, economic ministers from the Association of South-East Asian Nations welcomed Australian expertise into the region by agreeing to a formal dialogue on common standards between the ASEAN free trade area and perhaps India as well.



One area where a less noisy approach is well overdue is the much debated East-Asia Economic Caucus (EAEC), where Australia has been carrying the flag against a Malaysian proposal for more than three years — sometimes as the apparent proxy for the US.

Malaysia's frustration with Australia is only likely to grow now that it has accepted the AFTA [ASEAN Free Trade Area]-CER [Closer Economic Relations] linkage at a time when Australia continues to oppose an East-Asian economic group as a threat to APEC [Asia-Pacific Economic Cooperation].

It has always been hard to judge the true feelings of other ASEAN countries towards the Malaysian EAEC, but at the recent ASEAN economic ministers' meeting they all made strong public claims of support.

New Zealand already adopts an uncommitted approach to the debate more consistent with a country trying to quietly build ties in the region and perhaps an eventual member of any East-Asian forum.

The potential members of an EAEC now hold a regular lunch at ASEAN's annual meeting and Thailand has floated a son of EAEC that would discuss matters of mutual economic interest apart from the sensitive matter of trade, which would be left to APEC and the World Trade Organisation.

Japan, which has opposed the EAEC for fear of upsetting the excluded US, has now adopted a different tack, saying it won't join until Australia is allowed in. That position was reportedly outlined by the Minister for International Trade and Industry, Mr Ryutaro Hashimoto, in recent talks with ASEAN ministers and was also reflected in a recent speech by Foreign Ministry official, Mr Kazuo Kodama, who said Australia had made a tactical error in opposing the EAEC.

Japan's recent strong support for Australia's full participation in regional bodies is a testament to the long-standing relationship between the region's odd couple. But if Australia doesn't take the hint, there are plenty of advocates of the original non-Caucasian EAEC — notably within Japan's business community.

And despite the recent breast-beating in Australia about the primacy of the US alliance, the comments of two top US officials on visits to Asia illustrate that Australia should be wary of being seen to be serving US interests in opposing the EAEC.

Last month in Tokyo, senior trade official Mr Jeffrey Garten asserted that the US was in the process of re-evaluating its foreign relationships by putting economics at the core — a red flag for Asian countries concerned about a diminished US security presence.

Within weeks, senior defence official Mr Joseph Nye was back to quell the fire by restating the US security engagement position that economic systems rested upon international political order.

But Mr Nye upped the ante even further with the unprecedented threat that the US would probably withdraw its security presence from the region if an East-Asian Economic Caucus excluded it economically.

At a time when pragmatists in countries like Japan and Thailand are trying to knock the harsh edges off Malaysia's original EAEC, such comments hardly do justice to the world's remaining superpower.

#### **Speculation on Fate of Businessman Held in PRC**

*LD2509114295 Melbourne Radio Australia  
in English 1000 GMT 25 Sep 95*

[FBIS Transcribed Text] In China, there is increasing speculation that Australian businessman James Peng will be expelled from the country after being sentenced to between 10 and 17 years' jail later this week. Correspondent Camille Funnell reports the speculation has been sparked by a Chinese newspaper in Hong Kong, which says Mr. Peng will be sentenced to 17 years' jail.

[Funnell] Chinese authorities will announce the verdict in Mr. Peng's case on Thursday. Mr. Peng has spent almost two years in Chinese jails after being detained in October 1993. He was charged a year ago with embezzling and misappropriating funds. A Hong Kong newspaper, the *ORIENTAL DAILY NEWS*, says Mr. Peng will be found guilty and sentenced to 17 years' jail, but is likely to be deported on medical grounds. But Australian officials in Beijing and Hong Kong say they have not been informed of the verdict or the sentence to be delivered in Mr. Peng's case.

#### **French Polynesia**

##### **Tourism Chief Seeks 'Millions' From France**

*LD2609085495 Melbourne Radio Australia  
in English 0800 GMT 26 Sep 95*

[FBIS Transcribed Text] Tahiti has announced a multi-million dollar plan to rescue its lucrative tourist industry, hit hard by the resumption of French nuclear tests at Mururoa. Hotel chiefs say thousands of reservations have been cancelled following the riots in Papeete after the first test on 5 September. Tahiti's tourism chief Nelson Levy said he would seek millions of dollars from France to supplement his office's \$11 million budget for 1995. He said the extra money would be used to fund promotions in France, the United States, South America,

and southern Europe. Mr. Levy said the rioting caused an immediate cancellation of 26,000 hotel bookings, but Tahiti and other Polynesian islands were beginning to recover.

**Government Chief Urges Accelerated Test Schedule**  
*BK2609032695 Hong Kong AFP in English*  
*0311 GMT 26 Sep 95*

[FBIS Transcribed Text] Papeete, Sept 25 (AFP) — French Polynesian government chief Gaston Flosse said Monday he had asked Paris to accelerate its program of nuclear tests to finish before elections in the territory next March.

Flosse, president of the territorial government, said the tests could finish in March or April, but the final decision belonged to French President Jacques Chirac.

The first nuclear weapons blast on September 5 sparked two days of riots in the French Polynesia capital Papeete. Demonstrators torched the international airport and several buildings.

"I told him that I hope that the tests finish before the territorial elections," Flosse said, explaining that he wanted the poll to be held in a calmer atmosphere.

Flosse, who returned from Paris on Saturday, told a news conference "I don't think there will be a second wave of violence."

Chirac has said the program of six or seven blasts will be finished by next May.

**Papua New Guinea**

**Bougainville To Remain 'Integral Part' of State**  
*LD2509112395 Melbourne Radio Australia*  
*in English 1000 GMT 25 Sep 95*

[FBIS Transcribed Text] Papua New Guinea's prime minister, Sir Julius Chan, has said Bougainville will always remain an integral part of the PNG sovereign state. Sir Julius said it was the responsibility of the government to ensure that everyone remained united as one people, one nation, and one country.

He was responding to a series of questions in parliament regarding the issue of possible independence for the troubled island of Bougainville, which has been in a state of civil war for six years. Sir Julius said Bougainville had made a great contribution toward the building of PNG and that it was now the responsibility of the national government to help the island out of its troubles. He said that in this process, Bougainvilleans had been given a greater degree of autonomy as part of the way of finding a solution to the island's grievances.

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